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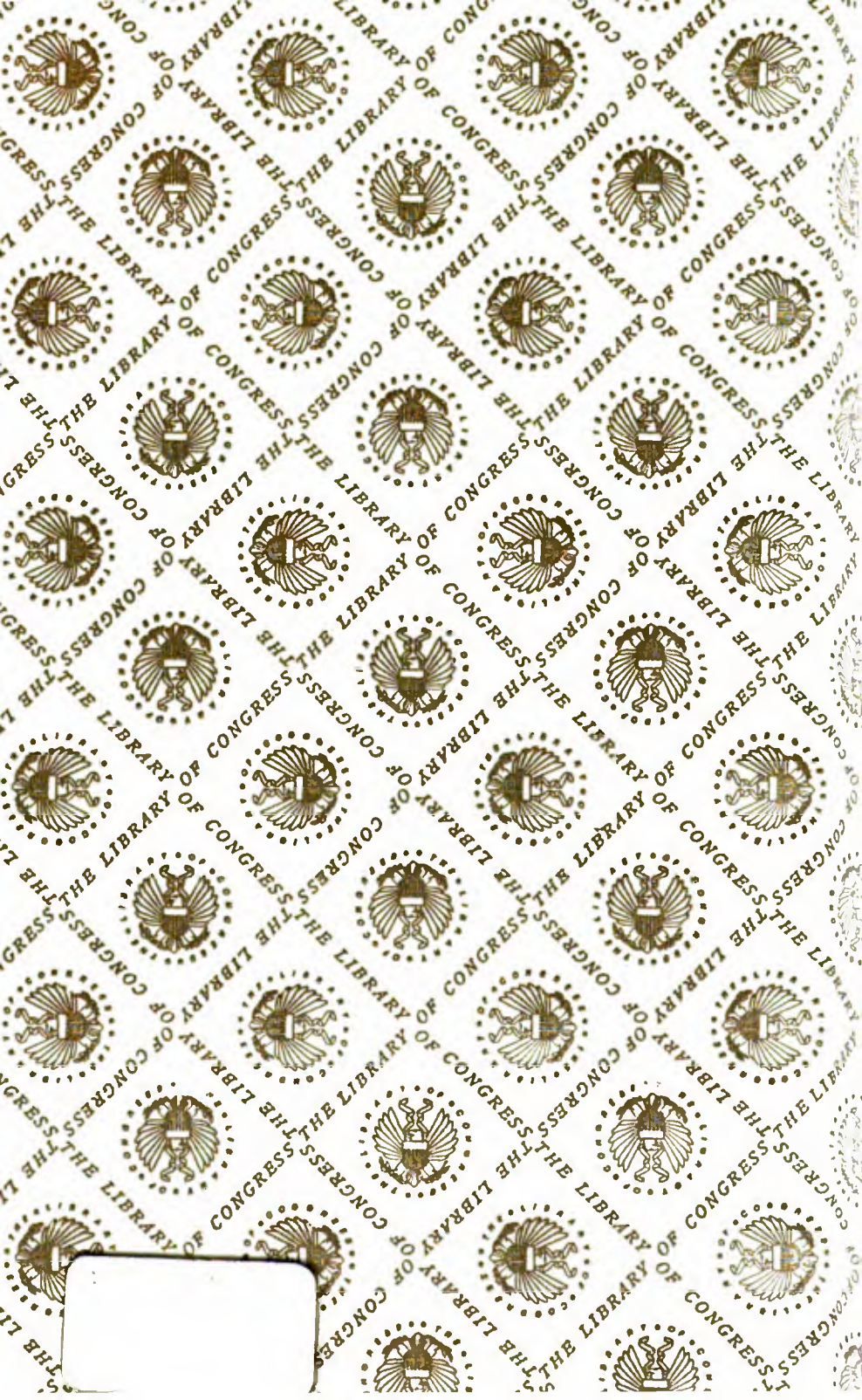
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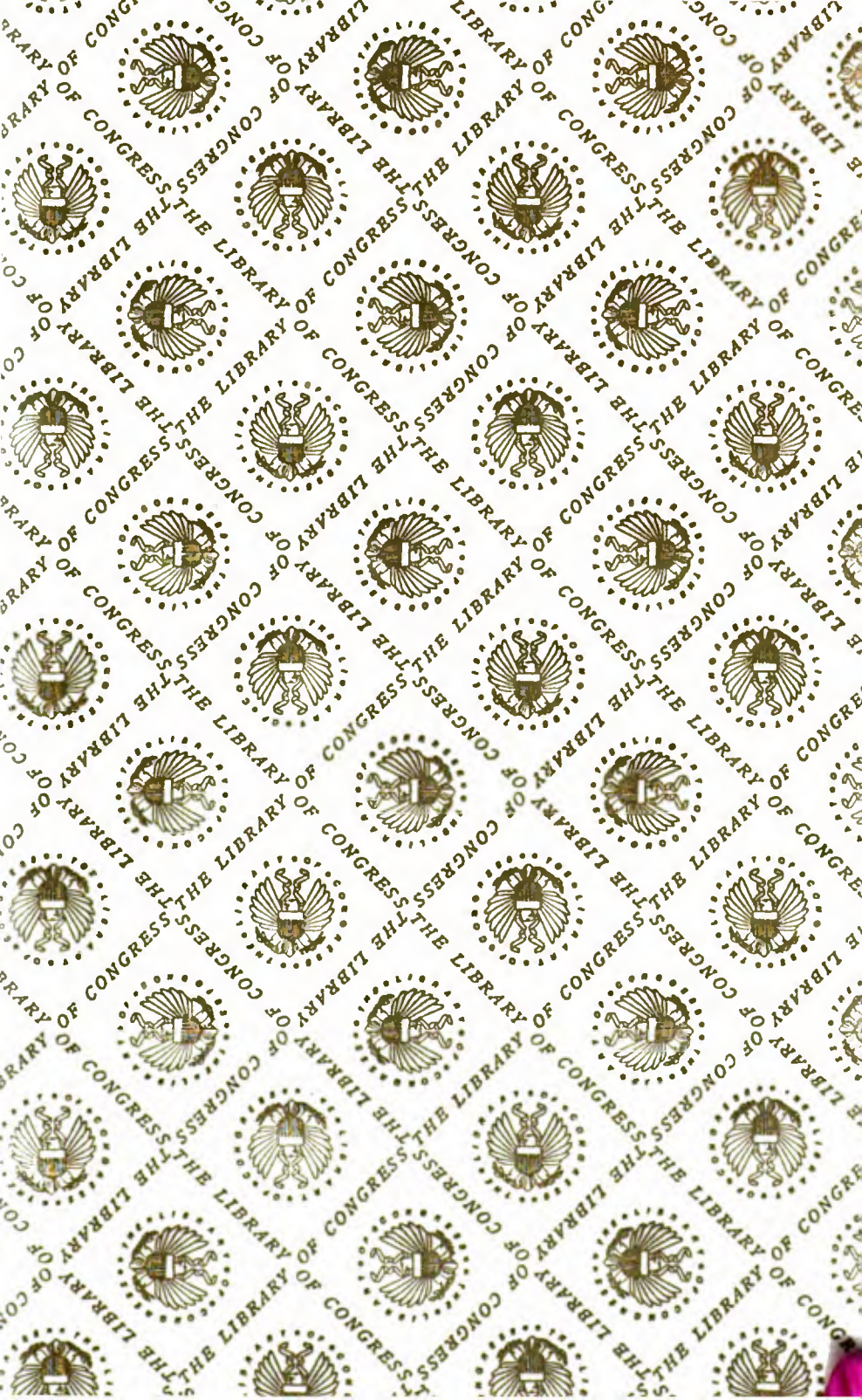
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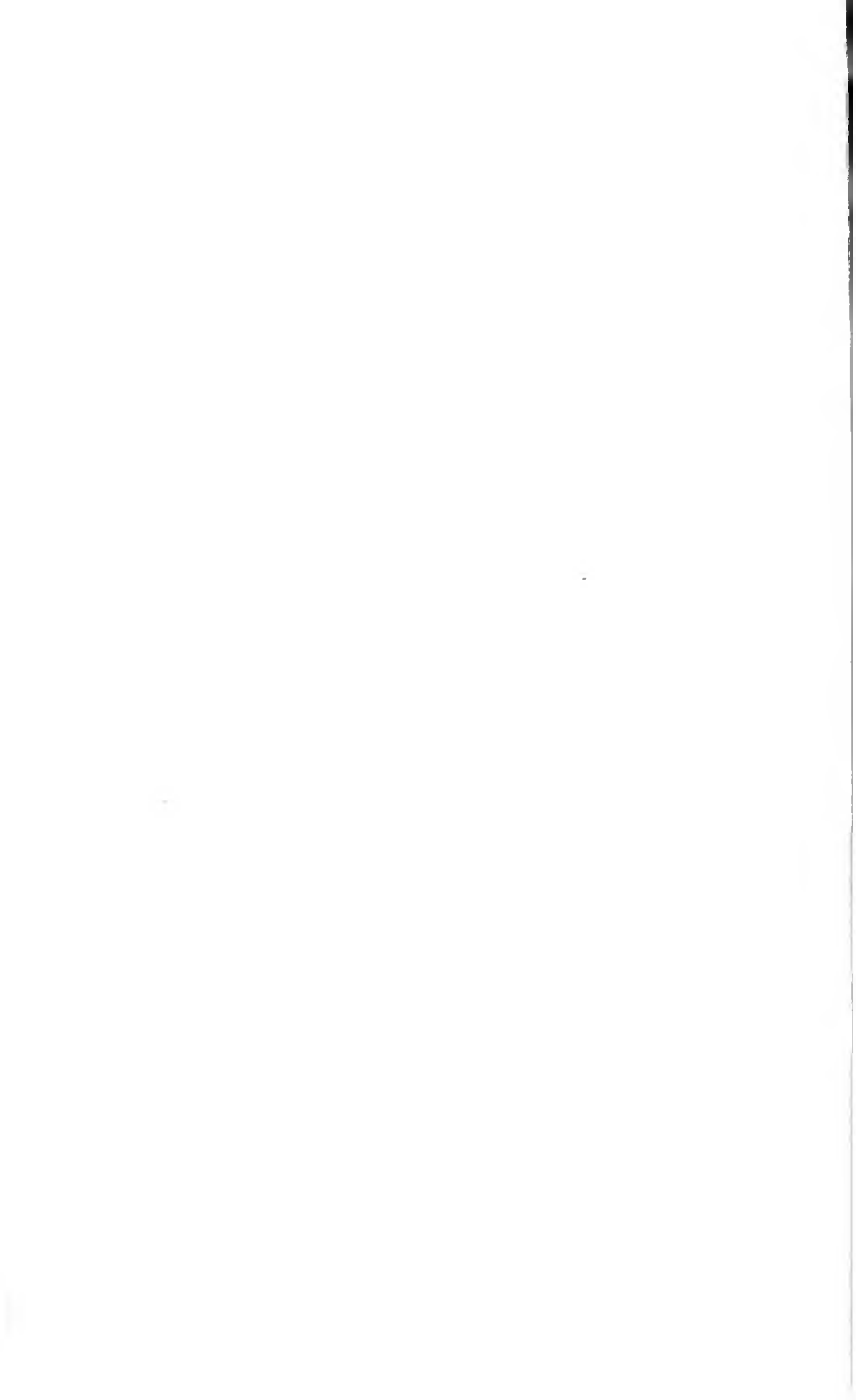
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**LIMITING ACTIVITY OF CERTAIN OFFICERS AND
EMPLOYEES OF THE GOVERNMENT** 0328
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HEARING

BEFORE THE

COMMITTEE ON THE JUDICIARY

HOUSE OF REPRESENTATIVES

SIXTY-FOURTH CONGRESS

FIRST SESSION

ON

JUL 19 '16

H. R. 9820

Serial 32—Parts 1 and 2

MARCH 17 AND 18, 1916



**WASHINGTON
GOVERNMENT PRINTING OFFICE**

1916

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COMMITTEE ON THE JUDICIARY.

HOUSE OF REPRESENTATIVES.

SIXTY-FOURTH CONGRESS.

EDWIN Y. WEBB, North Carolina, *Chairman*.

CHARLES C. CARLIN, Virginia.
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JOSEPH TAGGART, Kansas.
WILLIAM L. IGOE, Missouri.
WARREN GARD, OHIO.
WM. ELZA WILLIAMS, Illinois.
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HARRY H. DALE, New York.
THADDEUS H. CARAWAY, Arkansas.
M. M. NEELY, West Virginia.

HENRY J. STEELE, Pennsylvania.
J. RANDALL WALKER, Georgia.
ANDREW J. VOLSTEAD, Minnesota.
JOHN M. NELSON, Wisconsin.
DICK T. MORGAN, Oklahoma.
HENRY G. DANFORTH, New York.
GEORGE S. GRAHAM, Pennsylvania.
WALTER M. CHANDLER, New York.
LEONIDAS C. DYER, Missouri.
HUNTER H. MOSS, Jr., West Virginia.

A. L. QUICKEL, *Clerk*.

FOR THE PURPOSE OF LIMITING THE ACTIVITIES OF CERTAIN
OFFICERS AND EMPLOYEES OF THE GOVERNMENT.

SERIAL 32.

COMMITTEE ON THE JUDICIARY,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 17, 1916.

The committee met at 10.30 o'clock a. m., Hon. Edwin Y. Webb (chairman) presiding.

The CHAIRMAN. Gentlemen of the committee, at the request of Mr. Carlin, chairman of Subcommittee No. 1, the chairman desires to lay before you H. R. 9820, and as some gentlemen are here from a distance Mr. Carlin has asked that they be heard for a few minutes in advocacy of the bill. The chairman would be glad to recognize Mr. Ryan for 15 minutes.

STATEMENT OF P. J. RYAN, ESQ., ATTORNEY AT LAW, STEWART BUILDING, WASHINGTON, D. C., EDITOR OF THE PLATE PRINTER, OFFICIAL ORGAN OF THE STEEL AND COPPER PLATE PRINTERS' UNION OF NORTH AMERICA.

Mr. RYAN. Mr. Chairman, we have under consideration this morning what the plate printers of the United States call the "Carlin bill," H. R. 9820. We believe that this bill should be enacted into law, by reason of the fact that there is a necessity for such a law. At our twenty-third international convention, at Philadelphia, we intro-

duced what was known as the Holder resolution, which is the basis of the Carlin bill. That resolution reads as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, requested to cause such rules and regulations to be adopted and placed in force for the regulation of the Bureau of Engraving and Printing as will continually forbid any persons, officials, or employees of said bureau from giving their time, skill, knowledge, experience, or other services upon any basis to any foreign Government or to any individual, firm, or corporation whatsoever, domestic or foreign, for the purpose of assisting any such Government, individual, firm, or corporation in establishing or carrying on any establishment or engraving business, or any business whatsoever, which is or may be, directly or indirectly, competitive with American industry, or which may, directly or indirectly, deprive American labor of its employment and means of livelihood.

We have on the statute books what is known as the alien contract-labor law. There is in contemplation an antidumping law by the President and Secretary Redfield. We believe that our resolution and the proposed antidumping bill are the same in principle, and that there is no difference between the Government passing a law prohibiting alien contract labor from entering the United States and an official of the Government, namely, the Director of the Bureau of Engraving and Printing, and others, going down to Cuba and establishing an alien plant on alien soil for the purpose of competing with American labor. With that in view, we asked for the passage of this resolution, which was indorsed by our international convention and by all the local plate-printers' unions throughout the United States, the Maryland and District of Columbia Federation of Labor, the Baltimore Federation of Labor, the Washington Central Labor Union, the Central Federated Trade Union of Greater New York and vicinity, and Locals 5 and 8 of New York, and, in the last two or three days, by the Chicago Federation of Labor, the Boston Central Labor Union, and the Philadelphia Central Labor Union. With that respectable authority behind us, the bill was introduced by Mr. Carlin after he had considered the same.

We propose to show here that some time in 1911 the Director of the Bureau of Engraving and Printing assisted a man by the name of José Lopez Rodriguez in establishing a plate-printing plant in Cuba. He took the chairman of the executive committee of plate printers and sent him to Cuba at a salary of \$5,000 a year, who took with him to Cuba men who were working in New York as American plate printers, for the purpose of installing the Cuban plant. They were to receive good wages. There was a promise given to these that they could stay there for so long as it would remain an American plant. They were there for some time, when they were thrown out on the streets of Cuba and sent back home by the superintendent of the Cuban plant, who was once a member of our executive committee and a member of the American Federation of Labor and of our union, but he threw these men out. Since then he has been expelled from our organization for running what we call a non-union plant.

We have two arguments against the Cuban plate-printing concern. First, that it is an alien plant; and, second, that it has been trying to obtain work done here in America and to take it to Cuba, and perform that work under what we call unfair and un-American conditions. The Director of the Bureau of Engraving and Printing

sent down there an expert machinist, who remained there, I believe, two months. He sent also to Cuba a man by the name of Crockett, of the gumming plant of the bureau, and he remained there for some time to teach those Cubans.

Mr. VOLSTEAD. Was not that to teach the Government down there?

Mr. RYAN. To teach men in a private plant.

Mr. VOLSTEAD. But wasn't it for the purpose of doing work for the Cuban Government?

Mr. RYAN. No. I do not think it was. It was not the Cuban Government's work, was it?

Mr. CLUNNEY. Yes; it was for the printing of the revenue stamps down there.

Mr. CARLIN. Mr. Ryan, as I understand the situation, it was largely this, that the Government employees of the Bureau of Engraving and Printing were permitted to resign their positions with the understanding that they would be reinstated; that they then went to these foreign countries and educated the labor there to do what the American labor had previously been doing here, and sending there, and then, before the term of expiration, namely, one year, they were reinstated by Mr. Ralph in the Government service here?

Mr. RYAN. That is right, in substance.

Mr. CARLIN. That is, in substance, your complaint?

Mr. RYAN. Yes.

Mr. CARLIN. And it is that practice of allowing men ostensibly to resign under a promise to be reinstated that your organization wants to prevent?

Mr. RYAN. Yes. And we will show by witnesses that when these men were discharged that this man at the head of this foreign plant said, "Now, if you want to, why I will get you your position back in the Bureau of Engraving and Printing." This bill is only a prohibition upon a certain class of citizens, namely, those who are working under the United States Government.

Mr. NELSON. I have been trying to study your bill (and my neighbor has too), and your first proviso there—

The CHAIRMAN. It is not a complete sentence.

Mr. NELSON (continuing). Does not seem to provide anything.

Mr. CARLIN. That can all be straightened out.

Mr. CARRAWAY. It seeks, though, to keep a man from resigning from the Government at all, if he is going to work for anybody else. That is the way I read it.

Mr. DANFORTH. I think the gentleman from Arkansas must be pretty clever to read that into it.

Mr. CARRAWAY. There is no conclusion in it all.

The CHAIRMAN. In the first proviso, there seems to be something left out.

Mr. NELSON. I presume it is intended to hook on to the other proviso.

Mr. CARLIN. The line providing against reinstatement has evidently been left out by the printer.

Mr. RYAN. We claim it goes to the efficiency of the service for a man at the head of a great Government institution to have his mind divided and to have it in Cuba, Chile, and China.

Mr. VOLSTEAD. Suppose one of those South American Republics should ask this Government to furnish for a short time the necessary

experts to establish a printing plant for the purpose, for instance, of printing stamps or bonds or money for the benefit of those Governments, solely for their use. Would you want this Government to refuse, and would you punish the officials or men that might be sent there for that purpose?

Mr. RYAN. I should say that the order of the day is to protect American capital and American labor. I would have no objection to furnishing them a modicum of information and literature, but I would have a serious objection to taking men from the United States Government and keeping them in a foreign country for months, when they ought to be here looking after the interests of our Government. And from the standpoint of protecting high wages in this country and preventing underbidding of American labor, I should say that I had a serious objection. I would throw all manner of protection around all of our American industries.

Mr. VOLSTEAD. Don't you believe that this Government ought to be permitted to show that courtesy to any other Government; that is, if it is for the exclusive use and benefit of their Government, don't you think in the long run that sort of encouragement, that sort of friendly conduct toward foreign Governments, would help us rather than hurt us?

Mr. RYAN. I think, in my humble opinion, that it could be carried too far; that, like anything else, there ought to be a limitation upon it.

Mr. VOLSTEAD. Is it not true that if foreign Governments want to do anything of that kind that they will go to European Governments and get it?

Mr. RYAN. They can not get the information such as they obtain in the Bureau of Engraving and Printing, where we print the best money in the world. If you go to Italy and go to a shop there, it is not anything out of the ordinary to have the shopkeeper scrutinize your money to see if it is counterfeit. We have the finest institution in the world. I would be glad to see it kept up to that standard all the time.

Mr. CARLIN. Is not this a fact, that the most serious effect of that practice is that to-day those foreign Governments are paying to have this work done in this country by American labor?

Mr. RYAN. Yes; we print the work for 21 American Republics.

Mr. CARLIN. And our country gets the benefit not only of the labor but of the capital from providing the labor?

Mr. RYAN. Surely.

Mr. CARLIN. And by teaching these aliens themselves to do this work both American capital and American labor lose the benefits?

Mr. RYAN. Naturally; and I think our philanthropy is going too far when we put an instrument in the hands of any Government to draw from the United States. There is a little too much of that going on.

Mr. NELSON. Couldn't you reach this by imposing a rather heavy tariff on plants importing from foreign countries?

Mr. CARLIN. The reverse is true. They do not import money into this country.

Mr. NELSON. Don't they import the plants?

Mr. RYAN. No; they have not reached that stage of efficiency yet; but they do prevent American labor and American capital from send-

ing into their country our products, because they are beginning to make it themselves under our education.

Mr. CARAWAY. I thought the gentleman a moment ago said the plant in Cuba was trying to send their work into America.

Mr. RYAN. They came up here with their agents to underbid us on one contract, but the American Bank Note Co. was given the work.

Mr. CARLIN. That will be the effect of it some day, that they will be able to do that, but they have not been able to reach that stage of efficiency yet.

Mr. CARAWAY. Have they been able to get any contracts in the States?

Mr. RYAN. They opened up their plant for that purpose.

Mr. CARAWAY. Have they been able to do any work in the United States yet?

Mr. RYAN. No, not yet. They have not been able to come up to our standard of printing yet.

Mr. NELSON. As I understand, they are skilled now down there?

Mr. RYAN. They took our American boys down to Cuba and after establishing the plant down there, then they threw your citizens out on the streets of Cuba; after they made a contract with them that they could stay.

Mr. NELSON. This is not retroactive, is it? Are you going to punish the fellows who went down there?

Mr. RYAN. Oh, no.

Mr. NELSON. It is only in the future?

Mr. RYAN. Only in the future.

Mr. NELSON. Then if they are already skilled and know the business now, how are you going to reach that difficulty?

Mr. RYAN. They have not that intelligence, they have not the artistic temperament of the American gentlemen and others in this country. We have the highest style of the art of printing from engraved plates in our country. Now we want to protect that; we want to keep it up to the standard.

Mr. CARAWAY. If you prevent the American citizens going down there and getting employment, why won't the people from Germany, England, France and the other countries over there, who do understand this art, go down there and get this employment?

Mr. CARLIN. Mr. Ryan, is not the answer to that question that this bill does not prevent American citizens from doing that; it simply prevents Government employees?

Mr. RYAN. Yes. I would say, Mr. Chairman, that the head of our big money plant here made two or three visits—I do not know whether he made three visits or not—and stayed down there, taking off his coat and walking up to one of those men and saying, "Your press is running a little too slow there," or "take this off," and exercising authority around the plant; and making a second visit down there and sending the heads of our plants down there to assist against Americans. And at this time the President and Secretary Redfield are trying to erect a wall against the dumping of the products of cheap labor. Now, we want to do this thing in another way. We are right in principle upon this proposition. And what I would like to do now is to put Mr. Cluney on the stand in order to show the activities of Americans down there and what we consider an infringement.

The CHAIRMAN. Do the American printing houses now print and engrave for foreign countries extensively?

Mr. RYAN. The American Bank-Note Co. of New York, prints the money now for 21 of the American Republics.

The CHAIRMAN. This bill would prevent any person in the Government employ from resigning and working for an American firm.

Mr. RYAN. No.

The CHAIRMAN. If it was printing for a foreign country?

Mr. RYAN. Oh, no.

The CHAIRMAN. Let us see what this means—

Mr. RYAN. If it is in there, we could correct that.

The CHAIRMAN (reading):

That on and after the passage of this act it shall be unlawful for any officer or employee of the United States Government to give his or her time, skill, knowledge, experience, or services, upon any basis, to any foreign government, or to any individual, firm, or corporation whatsoever, domestic or foreign, for the purpose of assisting any such government, individual, firm, or corporation in the establishment of, or carrying on of, any printing or engraving establishment, or any other business whatsoever which is, or may be—

Mr. RYAN. What we had in mind there in that word "domestic" was, for example, suppose a corporation should be formed in the city of New York for the purpose of contracting with the South American Republics to turn this work over to them; suppose it would be a domestic corporation operating and doing business in Cuba?

Mr. CARAWAY. Do you think we have any authority to keep men working for the Government, when not engaged actively on the business of the Government, from advising and counseling somebody who has business relations with a plant in South America?

Mr. RYAN. Certainly not, and we do not seek to do that. This is simply a restriction upon people in the Government, who you have a right to restrict.

Mr. CARAWAY. After hours, suppose, for instance, a clerk in a department has some stock in a little plant that is printing in Brazil. Do you think we have the power to say he can give neither his time nor intelligence to advising the business down there when out of hours?

Mr. RYAN. I think the Civil Service Commission has issued rules, or, rather, the executive heads of the departments have restricted the activities along reasonable lines; in that regard, and I think you have ample law for it.

Mr. CARAWAY. Do you think you could deprive a man of the right to engage in any other legitimate business when it did not interfere with the Government's work?

Mr. RYAN. No; unless it divided his attention and went to his efficiency as a Government servant, I do not think so. I will agree with you there.

I want to show by these witnesses who were down there just the amount of interest that was manifested by the Americans down there in making this a going concern and a success.

The CHAIRMAN. Let me ask you one question before you sit down. Have you any complaint with reference to any other Government except the Cuban Government—any specific complaints?

Mr. RYAN. We have one in the Commerce Department. There was a delegation of Chinese which came to this country and went to

the Bureau of Engraving and Printing and were there for several days. There was a great deal of secrecy surrounding this delegation. I went to the State Department, and it is usual to report these things to the State Department, but I found out they did not know anything about it. It was not until I went to the Bureau of Foreign Commerce of the Department of Commerce that I found out those Chinamen were here and in the Bureau of Engraving and Printing and their itinerary to California, where they were to take a boat for China, was arranged by an American lady at the Chinese Legation; we got the news over the telephone, with the assistance of one of the officials of the Department of Commerce. These men had their chemists and they were going around the bureau getting our information. You can not blame us for trying to protect our trade; neither can you blame us for trying to protect American capital, because when you injure capital you in turn harm American labor. And that is what we are here for today, and for the purpose of restricting the activities of any man who attempts to do anything of that kind. And I think you will agree with us, when we get through, that we are wholly within our rights.

[The Plate Printer, Washington, D. C., Aug. 18, 1915.]

VISIT OF CHINESE BUSINESS MEN.

A delegation of Chinese business men sailed from Shanghai June 22 on the *Siberia* for a visit to the United States. The party is an official one, representing for the most part the bureau of engraving and departments thereof. They will be interested in lithographing, paper manufacture, and matters having to do with machinery for engraving. One member of the party, Mr. P. J. Fu, states that he intends studying the question of cotton manufacture and will investigate machinery in this line. The members of the party are T. H. Chang, P. J. Fu, B. D. S'nn, T. Chao, L. S. Chow, and C. P. Lee.—Commerce Reports. (Commercial Attaché Julean H. Arnold, Peking, May 31.)

NEW CHINESE DELEGATION TO INVESTIGATE.

WASHINGTON.

Word has reached the Government that a delegation of Chinese business men sailed from Shanghai for the United States on board the *Siberia*, on June 22, and that the party is official in its character, representing, for the most part, the new Chinese bureau of engraving and its several departments. The delegation will be interested in lithographing, paper manufacture, and matters having to do with machinery for engraving. One member of the party, P. J. Fu, states that he intends to study while in the United States the question of cotton manufacture, and to that end will investigate machinery in that line.

The members of the party are T. H. Chang, P. J. Fu, B. D. S'nn, T. Chao, L. S. Chow, and C. P. Lee.

It is understood that the delegation will spend several days in this city looking over the new plant of the Bureau of Engraving and Printing, where all the American Government's paper money and postage and internal-revenue stamps are manufactured. It will remain in the United States several months, it is understood, and include in its itinerary many of the more important cities.

This will be the second official Chinese party to visit the United States this year. The first one came in early May and sailed for home in early July, after a tour which embraced a score or more of important commercial and industrial centers, including Boston. This first party was made up of merchants, bankers, and business men generally. The second party will be composed exclusively of Government engraving officials and experts.

China, it will be recalled, had been depending on certain countries of Europe to take care of the manufacture of much of its money, but the war put an end to that arrangement. Several months ago the Chinese Government announced that it purposed doing its own engraving and that an engraving plant, where money was to be turned out, would be set up as soon as possible. (The Christian Science Monitor, Aug. 9.)

STATEMENT OF MR. JOHN CLUNEY, PLATE PRINTER, NO. 204 WEST ONE HUNDRED AND EIGHTEENTH STREET, NEW YORK, N. Y.

Mr. RYAN. What is your full name, Mr. Cluney?

Mr. CLUNEY. John Cluney.

Mr. RYAN. Where do you live?

Mr. CLUNEY. New York.

Mr. RYAN. In New York City?

Mr. CLUNEY. Yes.

Mr. RYAN. What is your address?

Mr. CLUNEY. No. 204 West One hundred and eighteenth Street.

Mr. RYAN. Are you working at your trade?

Mr. CLUNEY. Yes.

Mr. RYAN. I wish you would state to the committee, in your own way, just when you went to Cuba, just what you did down there, and if you noticed any unusual activities on the part of officials of the Government while there. Be as brief as possible.

Mr. CLUNEY. I think it was in October, 1911, that Mr. Foster was employed in the Government Engraving Bureau. He came to New York and looked for some men to go down to Cuba.

Mr. RYAN. First tell who Mr. Foster is.

Mr. CLUNEY. He was chairman of the executive committee of the Plate Printers' Union. He came to New York looking for a couple of men to go down there. He said a private concern down there or a Mr. Lopez Rodriguez wanted to start some plant and wanted some experienced men to go down there to start it. So Mr. Melbrook and myself went down. And he told us, in the first place "You are not going to lose anything by taking this chance, because if you do not like it down there, I have arranged with Mr. Ralph so that you can come to the bureau and get a position there."

Mr. NELSON. Are you at the bureau now?

Mr. CLUNEY. No, sir.

Mr. NELSON. Were you then?

Mr. CLUNEY. No; I have never worked for the bureau. Of course, that was the promise held out, that the climate might be too hard, and if we didn't like it, he said: "I have arranged with Mr. Ralph to give you a place in the Bureau of Engraving and Printing."

Mr. CARLIN. There is one question in the minds of some of us, and that is this: If the Government were to pass this act prohibiting Federal employees from teaching alien labor, whether anything in the rules and regulations of your union would prevent its members from teaching them.

Mr. HOLDER. Suppose you let me answer that.

STATEMENT OF MR. WILLIAM HOLDER, INTERNATIONAL PRESIDENT OF THE STEEL AND COPPER PLATE PRINTERS' UNION, 203 WESLEY AVENUE, NEW YORK, N. Y.

Mr. HOLDER. Mr. Chairman, I would like to read a resolution that was offered at our convention, prior to the institution of Mr. Carlin's bill. It was introduced July 22, 1913, at the annual convention held in Chicago. It reads as follows:

On motion of Delegate Conroy, Delegate Cleary was added to the committee on resolutions upon this matter.

Resolution No. 8 (Introduced by Delegate Keegan and Holder):

Resolved, That owing to the fact that it has recently come to our notice that a conference between our fellow members and their employer of the Cuban plate printing industry on the question as to how many apprentices should be employed, we, the members of Local No. 5, recommend that in the event of the question not being settled to the satisfaction of our brothers employed there, and should they sever their connections with said Cuban plate printing establishment, the international secretary be instructed to notify all local unions and they in turn notify all brothers connected with our craft that it is the sense of this convention that in the interest of the preservation of this American industry all brothers be earnestly requested to not engage in or encourage any concern whose purpose is to take this industry away from the United States, it being considered unpatriotic and not in the interest of good conditions for labor in general."

Referred to committee on resolutions.

[The Plate Printer, Dec. 6, 1915.]

HELD CONSTITUTIONAL—SUPREME COURT DECIDES IN FAVOR OF ALIEN LAW—BACKS UP THE PRINCIPLE ON WHICH THE HOLDER RESOLUTION IS FOUNDED—THE GOVERNMENT HAS THE RIGHT TO RESTRAIN THE ACTIVITIES OF ITS EMPLOYEES.

On November 29 the Supreme Court held the New York antislavery labor law, under which it was made compulsory to employ only citizens in the construction of public works, to be constitutional.

The court in a printed opinion declared that the State as the guardian and trustee of the people's money may prescribe the conditions upon which it will permit public work to be done either by itself or by governmental agencies, such as the city.

It was held that the law did not violate the treaty between the United States and Italy, guaranteeing persons of each country equality of rights with the other.

Can there be any doubt about the intention of the court in this opinion? It is obvious that the Supreme Court had in mind the conservation of the rights of the citizens of the United States, and the same is the purpose of the Holder resolution.

Congress has a right to say what its employees shall do and not do, and the Holder resolution says that officers and employees of the Government during their employment as such, shall not give their time, knowledge, skill, and experience in the erection of foreign plate printing plants, etc. There is nothing in the law of our country nor in our moral code which prevents or stands in the way of passing such a law, or to stop the Secretary of the Treasury from issuing a rule which will have the force of law, pending the action of Congress in this regard.

Who can doubt the wisdom, legality, and safety of the Holder resolution? We hope that at the very earliest date possible, after the first Monday in December, that this resolution and what we claim for it will find favor in the eyes of Congress, and that an act will be passed curing this evil and a defect of our law, whereby the American workmen are deprived of their just dues as citizens of the United States. Congress has the right, according to the opinion of the Supreme Court, as the guardian and trustee of the people, to pass a law for relief as craved in the Holder resolution.

MR. RYAN. That resolution was concurred in by the 9,000 members throughout the United States.

MR. HOLDER. Our own men are prohibited from going outside of the international boundaries to work at their craft.

MR. CARLIN. Then, as the matter stands now, the only method of educating alien labor would be through our own Government and Government employees—I mean educating foreign Governments?

MR. HOLDER. Yes, sir.

MR. VOLSTEAD. Do you mean to say that all of the experts in that line are now inside of the union, and that there are none outside of the union?

MR. HOLDER. Mr. Chairman, I might state that we have very few men in our industry outside of organized labor. Our craft is peculiar; it is entirely outside of the printing industry. We print from steel and copper plates. We have a separate organization, holding its own international charter from the American Federation of Labor, and our main purpose in coming before this committee is the preservation of our livelihood.

MR. VOLSTEAD. Do you mean it is international, such as to include printers all over the world?

MR. HOLDER. No, sir; it includes the printers in our craft in the jurisdiction of the United States and the Dominion of Canada.

MR. VOLSTEAD. Do you know whether they are organized in foreign countries to such an extent as to prevent the foreign Governments from sending the necessary experts there?

MR. HOLDER. They are in some countries, and particularly in the city of London. But the character of their work is really poor. And I would say, Mr. Chairman, that the majority of securities printed on the other side are printed from lithographed plates which does not give the same protection to those countries as we have from our steel plates.

MR. CARAWAY. You do not think it would be very difficult, though, if people wanted to engage in the business in South American Republics, to have people from the States go down there, do you?

MR. HOLDER. I think it would be difficult for them at this time.

MR. CARAWAY. You think in all the other countries in the world they could not find experts enough to do that, and men outside of your unions?

MR. HOLDER. They might be able to find out the information, or get the information, as to how foreign Governments print their currency; but, as I said before, they do it from stone.

MR. VOLSTEAD. Would there be any difficulty for South Americans to hire enough men out of your union, if they gave them assurance that the work would be permanent?

MR. HOLDER. Yes, sir.

MR. RYAN. May I answer that question? Just a little while ago the Spanish Government was using the German method and the English method, but they have gone back to the American method of printing money from steel plates. We have, as I said when I was on my feet a little while ago, the finest method of printing money in the world. Plate printing is divided into wet and dry printing. We have taken the first prize at all of the expositions as far back as 1868, and you can not find any experts of the same caliber as we have in America. They lack the intelligence of the American workmen.

MR. NELSON. Is this printing confined to currency and bank-note printing?

MR. RYAN. Yes, sir; the wet-plate printing. The other, the dry-plate printing is entirely different. You take a dry printer and he might not be a good bank-note printer, but we claim everybody for our organization who print from engraved plates on steel or copper.

MR. NELSON. Is the competition you fear the competition that will come into this country from Cuba or the competition you will have in sending your products to other countries—to Cuba and other foreign countries?

Mr. RYAN. The competition we fear is the foreign competition stimulated by those who live in this country.

Mr. NELSON. They will come in here?

Mr. RYAN. They will finally underbid us, and take our work: for example, what would be the matter with this big plant in Cuba, where they get cheap labor, to bid against American companies who do the work of Chinese Government under fair and not cheap conditions?

Mr. CARAWAY. Didn't you say a minute ago those people down there are not so skilled as our people and could not do the work because they were not as intelligent?

Mr. RYAN. No; not exactly.

Mr. CARAWAY. Didn't you say they were not intelligent enough to become as skilled as Americans, and for want of intelligence the standard would be lowered?

Mr. RYAN. That is the condition we have to face; we are not face to face with that condition now.

Mr. CARAWAY. That is not what I asked. Didn't you say they were so unintelligent that they could never become skilled like our people?

Mr. RYAN. I think it would take a long time to bring them up to our standard.

Mr. CARAWAY. Then they never could be competitive until they got up to it.

Mr. RYAN. I know; but I believe in the principle of safety first; and it seems to me to be the order of the day. It would not do to lock the gate after the mule is out of the stable.

Mr. NELSON. As I understand, the competition you wish to prevent is the competition of the cheap labor of Cuba which will compete with your old work; that is the work of supplying foreign countries with bank notes and currency. Is that it?

Mr. RYAN. Yes, sir; exactly so; and to restrain men who are engaged in the service of the Government, at high salaries, having their mind divided. I can not see that it is right for the officials of the Government to go on leave and stay a month down in Cuba and live in the house of the man or the castle of the man who runs the plant. I can not see anything but what is wrong in that.

Mr. NELSON. Let me see if I understand this, now. Mr. Foster has gone down there; is there anyone else?

Mr. RYAN. A Mr. Cruzon. They are both down there.

Mr. NELSON. They are down there now?

Mr. RYAN. Yes, sir.

Mr. NELSON. They have not been reinstated or given positions immediately after doing the work down there?

Mr. RYAN. No, sir. Mr. Foster was just as active a man against this proposition as I am to-day—

Mr. NELSON. Has he been given a place down there?

Mr. RYAN. Yes; he has a contract for \$5,000 a year for five years. Mr. Foster told me himself that Mr. Ralph asked him to go, and I said, "If you want to make money, go down there; but if you want to retain your friends and be respected all your life, go the other way." And he wanted me to draw the contract, and I said I would not have anything to do with it.

The CHAIRMAN. Let us see how extensive this arrangement is which you complain of. How many Government employees have

been actually reinstated as you said who have gone to Cuba or any other foreign country?

Mr. RYAN. There was a man by the name of Miller who went down there.

The CHAIRMAN. How long ago?

Mr. CLUNEX. He was there about 10 months.

Mr. RYAN. And I am told that Mr. Foster said to him, "You can not go back to the bureau unless I say so, Mr. Miller." Did he say that, Mr. Cluney?

Mr. CLUNEX. Yes.

Mr. RYAN. He said, "You can not go back to the bureau unless I say so."

Mr. HOLDER. Might I be permitted to read this letter? There is not much in it, but it is a signed statement and it is short. Mr. Ryan has mentioned Mr. Miller:

While working in the Bureau of Engraving and Printing, I received a letter from Foster—

Mr. CARAWAY. Mr. Foster never was in the employ of the Government, was he?

Mr. HOLDER. Yes, sir. He worked in the Bureau of Engraving and Printing for 18 years.

Mr. CARAWAY. He is not now?

Mr. HOLDER. When that plant was inaugurated—

Mr. CARAWAY. Yes; I understand that.

Mr. HOLDER (continuing). Mr. Foster went there to take charge. [Reading:]

asking me to do him a favor by going to Cuba to help him out in his work, as he is far behind and would like to have me work for him for six months. I went to Ralph, told him about it, which he seemed to know—about the letter I had received. I asked Ralph if he would grant me six months' leave of absence; he said that he could not do that, but I could go and he would only be too glad to take me back—

That is Ralph stating to Foster that under the contract made with Mr. Miller, at the expiration of six months if he wanted to go back into the bureau, he could not do so unless Foster said so.

Mr. CARLIN. Foster was at that time employed by the Cuban Government?

Mr. HOLDER. Yes, sir; the Cuban Bank Note Co.

The CHAIRMAN. Does that Cuban Bank Note Co. print for the Government of Cuba?

Mr. HOLDER. Yes, sir; it prints the revenue stamps for the Cuban Government.

Mr. NELSON. It is capitalized by Americans, though, is it not?

Mr. HOLDER. That question I could not answer.

Mr. QUESADA. No; by Spanish.

Mr. HOLDER (reading):

at the end of the six months. When my time was up I wanted to go back to the bureau, as agreed; but Foster said he could not let me go, as he needs me, and he wrote Ralph that he would like to keep me with him. Ralph wrote Foster that if he needs me, why, he should keep me down there, and if I should leave him, then he won't take me back. Foster showed me that part of the letter that Ralph sent him. I was compelled to stay three months over the six months, as agreed. I finally left on my own account and went back to

Washington. Ralph was sore because I left Foster, so I had to fight my way back in the bureau, as Ralph kept me out about three weeks before I was reinstated.

ABE MILLER.

Mr. RYAN. I would like to put that letter in the record.

The CHAIRMAN. It is already in the record. It was taken down by the stenographer.

Mr. HOLDER. Now, Mr. Ralph had guaranteed this Mr. Miller his position at the expiration of six months, but when the time came about and Mr. Miller wanted to go back, and he had made the agreement with Foster and Foster denied him the privilege, and his reinstatement was under the jurisdiction of Mr. Foster.

The CHAIRMAN. Are any of the officials or Government authorities above Mr. Ralph interested in having those employees go down to Cuba and help out in those matters?

Mr. HOLDER. No, sir.

The CHAIRMAN. Does Mr. Ralph do it with his own authority and of his own volition?

Mr. HOLDER. I assume he does.

The CHAIRMAN. Have you talked with Mr. Ralph about it?

Mr. HOLDER. I have not; no sir.

The CHAIRMAN. You do not know where he gets his authority for doing this?

Mr. HOLDER. No, sir.

The CHAIRMAN. Nor what source has advised it ought to be done?

Mr. HOLDER. No; outside of the fact that he being chief of the Bureau of Engraving and Printing naturally foreign representatives coming to this country would seek his advice at the first opportunity they had.

The CHAIRMAN. You know of no law or resolution on the part of Congress that suggests this kind of work between the governments on this side of the world.

Mr. HOLDER. Mr. Chairman, I know of none. If Mr. Ryan does not, I certainly do not.

The CHAIRMAN. I was just trying to get for the information of the committee, if I could, the grounds on which Mr. Ralph takes this action the way he does.

Mr. NELSON. Is not this true, that a person who resigns may be reinstated if he comes back inside of a year, under the law?

The CHAIRMAN. That is the law, of course.

Mr. NELSON. There would not be any particular necessity for affirmative action on the part of anybody, if he goes down there and comes back within a year, to be reinstated.

The CHAIRMAN. The point I was getting at is this, that Mr. Ralph seemed to be particularly interested in this plant down there and sent Mr. Foster down there with practical control over other men who go, and if they do not do as Mr. Foster says, that he won't reinstate them.

Mr. HOLDER. That is the object of our bill, to prevent underselling of our labor. That is our livelihood, the printing of engraved securities, and we want to keep it under the jurisdiction of the United States and Canada. It is our livelihood; it is our means of living, and we are proud of the honor put upon our international body by foreign countries coming to us to have their work done, and the

establishment of the Cuban Bank Note Co. has taken away some of our work which was formerly done here.

The CHAIRMAN. How long has Foster been in Cuba?

Mr. HOLDER. Since 1911.

The CHAIRMAN. He has severed his relations with the Government?

Mr. HOLDER. Yes, sir.

Mr. CLUNEY. He claims when he went down there it was through Ralph he got the position, and he had to depend on Ralph to make a success. When he started in they had trouble with the gumming machines, and they sent a machinist down there to make the gumming machines a success, and they sent Mr. Crockett, and Mr. Crockett was down there for several weeks.

Mr. CARLIN. Is Crockett a Government employee?

Mr. CLUNEY. Yes; he is in the Government now. He is at the head of the gumming department. And when he could not do anything with it they sent for a man named McNulty.

The CHAIRMAN. Here is this man Foster, who has no relation with the Government at all, at present?

Mr. CLUNEY. No.

The CHAIRMAN. And yet he is supposed to control the reinstatement of the men in the Bureau of Engraving and Printing?

Mr. CLUNEY. That is, he said he had made arrangements with Ralph—remember, I never worked in the Government—that if we went down there and did not like it, he had made arrangements with Ralph to get us a position in the United States Bureau of Engraving and Printing.

Mr. CARAWAY. Did you try to get a position when you came back?

Mr. CLUNEY. No, sir.

Mr. CARAWAY. You did not try it to find out whether you could?

Mr. CLUNEY. No, sir. This man Lopez told us, "Now, this work is coming on, but until it does we can not use as many stamps; but if you want to go to work in the meantime, before I send for you, why," he says, "I will write my friend, Mr. Ralph, and he will immediately put you to work."

The CHAIRMAN. When was that statement made?

Mr. CLUNEY. That statement was made in 1911, October 15.

The CHAIRMAN. Do you know whether Mr. Ralph has any financial interest in this plant down there?

Mr. CLUNEY. That I could not tell you; but he came down there when they inaugurated the plant and made a speech before the President of the Cuban Republic, and for about two weeks previous to that he did take an active interest in getting everything ready and in superintending the building and trying to begin.

The CHAIRMAN. Who is that; Ralph?

Mr. CLUNEY. Ralph. He practically stripped down, took off his coat and collar, and went around with his sleeves rolled up like an ordinary workman and came around and suggested changes on the presses.

Mr. RYAN. Did he ever send any material down there that you know of?

Mr. CLUNEY. Yes; I have seen rollers they had used on the presses in the bureau here.

Mr. RYAN. Do you know, of your own knowledge, where they came from?

Mr. CLUNY. Mr. Foster said they were made out of the disused blankets at the Bureau of Engraving and Printing. And you could tell that by the color of the ink on them.

The CHAIRMAN. You mean he has been sending materials from the Government plant here down to Cuba, to go to this private plant?

Mr. CLUNY. He was sending there the used blankets that had been used for printing the currency and stamps here, or whatever it was.

The CHAIRMAN. What do you use those blankets for?

Mr. CLUNY. You use a set of blankets to put around the steel roller.

Mr. CARAWAY. That is the thing that carries the ink?

Mr. CLUNY. No; it prints; it rolls over the plate.

The CHAIRMAN. What is the value of the blankets?

Mr. CLUNY. Some cost several dollars a yard. When these blankets outlive their usefulness, then they turn and make ink rollers out of them.

The CHAIRMAN. What were they sent to Cuba for?

Mr. CLUNY. To use on the presses down there.

The CHAIRMAN. To make ink rollers out of them?

Mr. CLUNY. Yes, sir.

Mr. RYAN. How do you know that?

Mr. CLUNY. Because Foster said they were made from the old blankets.

Mr. RYAN. And they had green ink on them?

Mr. CLUNY. They had green ink on them; yes. Also, when they wanted any advice on anything in the plant, he would immediately cable to Ralph. Now, there was another man who came down there who was an ex-employee of the Government, and when McNulty went back he was to get parts of this machinery ready and he was sent to get this man Startzell immediately; and Ralph told us he would have him come in one or two days.

Mr. RYAN. Tell us who Startzell is.

Mr. CLUNY. An ex-employee of the Bureau of Engraving and Printing.

Mr. RYAN. Do you know who furnished the money or who loaned the money to Startzell to go to Cuba?

Mr. CLUNY. No; I could not say.

Mr. RYAN. You do not know of your own knowledge?

Mr. CLUNY. No; not of my own knowledge.

Mr. RYAN. You know he went there?

Mr. CLUNY. I know he went there; yes.

Mr. RYAN. And how long did he work there?

Mr. MELBROOK. A little over a year.

Mr. RYAN. He did not go back in the bureau, did he?

Mr. CLUNY. No; I believe not.

Mr. RYAN. He had some difficulty with Foster, did he not?

Mr. CLUNY. No; he did not have any difficulty with Foster, but Ralph would not take him back. He was discharged from there for some abusive language, or something.

Mr. RYAN. Do you know of any suggestion by Mr. Ralph in respect to setting up a plant in Chile?

Mr. CLUNEX. No; he never spoke to me about it. I think Mr. Melbrook can answer that.

STATEMENT OF MR. HARRY MELBROOK, 271 WEST ONE HUNDRED AND NINETY-NINTH STREET, NEW YORK, N. Y.

Mr. RYAN. What is your full name, Mr. Melbrook?

Mr. MELBROOK. Harry Melbrook.

Mr. RYAN. Are you working at your trade?

Mr. MELBROOK. I am working at my trade; yes, sir.

Mr. RYAN. What branch?

Mr. MELBROOK. The dry branch.

Mr. RYAN. Are you a bank-note printer?

Mr. MELBROOK. I am a bank-note printer, also.

Mr. RYAN. How did you happen to go to Cuba?

Mr. MELBROOK. The same as Mr. Cluney, through Mr. Foster.

Mr. RYAN. Do you know anything about anything that was said about a plant in Chile?

Mr. MELBROOK. Yes. On the last vacation I had, Foster was up here in Washington and I was in New York; so when I arrived at Cuba Foster said, "I have something new for you, but it must be kept under your hat."

Mr. CARLIN. What is that?

Mr. MELBROOK. Kept under your hat. That is a slang phrase that I must keep it to myself. I said, "What is it?" He stated that Mr. Ralph had an interview with the people from the Chile Government—whether it was the Chile Government or a private concern, or not, I do not know—"to make their bank notes." He said, "This plant, if Mr. Ralph gets out of the bureau, he will take charge, and if he don't get out of the bureau I will take charge." Mr. Foster said he would take charge of it if Mr. Ralph did not get out of the bureau, and he wanted me to go with him. He asked my consent, and so I said, "What else is it in not going to Chile?" He said, "It is either one of two things; we will either establish this bank-note company in Washington or Philadelphia and bring the Chile people on here and educate them here, and when they become proficient in the line just pick up the plant and put it on a steamer and off they go—either that or we will go right direct to Chile."

Mr. CARLIN. In other words, after you would educate the Chilean you would be out of a job yourself?

Mr. MELBROOK. Certainly. I stated to him: "That is against our own principles, our own men, if the work is to leave America; that is our own bread and butter." He said: "What need you care; you will get yours; you will never have to go back to the business again; never mind that."

Mr. RYAN. Do you know how long Mr. Ralph was in Cuba?

Mr. MELBROOK. Yes.

Mr. RYAN. A month?

Mr. MELBROOK. A month.

Mr. RYAN. Where did Mr. Ralph live during that time?

Mr. MELBROOK. In Mr. Lopez's home. They call it a castle.

Mr. RYAN. It was erected for the Chinese Embassy?

Mr. MELBROOK. Yes, sir.

Mr. RYAN. Where did Mr. Lopez sleep during that time?

Mr. MELBROOK. At the same place; in the same house.

The CHAIRMAN. When was it Mr. Ralph was in Cuba for this 30 days or this month?

Mr. MELBROOK. I beg pardon.

The CHAIRMAN. When was it that Mr. Ralph was in Cuba for this month that you speak of?

Mr. MELBROOK. It was in 1912. The inauguration was about this time.

Mr. CLUNY. It was the 18th of March.

The CHAIRMAN. It looked like he was getting ready to give up this job on account of political affiliations and wanted to make himself whole down in Cuba?

Mr. MELBROOK. Yes, sir. In regard to this Chile matter, Mr. Foster said Mr. Ralph had the facts and figures and had figured out so many presses for the amount of work that could be turned out in a year, space, and everything else.

Mr. RYAN. Did Mr. Ralph say anything about speeding up the presses when you were there?

Mr. MELBROOK. Oh, yes, sir; he thought we were running them slow, and he assumed the position, not of what I may call a visitor—we had many visitors down there—but he assumed the position of an overseer, a man who was looking after faults, so as to remedy such things, asking about the speed of the presses and saying, "You want to speed that press up more."

Mr. CARLIN. He was sort of a general supervisor?

Mr. MELBROOK. Yes; he was sort of a general supervisor.

The CHAIRMAN. He acted very much like it was his plant, did he?

Mr. MELBROOK. Yes; I have been asked if Mr. Ralph was financially interested in it, and I said, "No; I do not think so."

Mr. CARAWAY. On what authority did you say you did not think he was interested in it? Did you have any information at all that would lead you to think he did not have any interest in it?

Mr. MELBROOK. Not any positive information.

Mr. RYAN. Only an official would do that, I suppose.

The CHAIRMAN. Do you know how much pay he got for his services down there?

Mr. MELBROOK. No, sir; I could not say that, outside of presents, cigars, and Panama hats, and everything.

Mr. RYAN. Who gave him the Panama hats?

Mr. MELBROOK. Mr. Lopez.

The CHAIRMAN. Do you think he went down there and spent a month or 30 days supervising that plant for nothing?

Mr. MELBROOK. No; I do not.

The CHAIRMAN. How is that.

Mr. MELBROOK. No; I do not. I do not think he went down there for nothing. That is my own private opinion. There was lots of work previous to his going down there. And Mr. Lopez—all that it was necessary for Mr. Foster to do was to cable up any faults that might have been found with the machinery, cable it up to Mr. Ralph immediately or in a letter, and if he was satisfied with what I may

call the remedy that he would send down, if it would be all right, well and good; if it would not, another cable would go from down there and perhaps a man would follow.

The CHAIRMAN. How long did Foster work in the Government plant here?

Mr. MELBROOK. I believe for eighteen or twenty years. I think he served his time there.

Mr. VOLSTEAD. Do you know what connection the Cuban Government had with this plant down there?

Mr. MELBROOK. It was a private contract. This man bid for it.

Mr. VOLSTEAD. Do you know whether the President of the Cuban Republic took any interest in it?

Mr. MELBROOK. Not that I know of.

Mr. VOLSTEAD. Was he there?

Mr. MELBROOK. He was there at the inauguration of the plant.

Mr. RYAN. It has been said that he runs the Government down there; that what he says goes; and he is the real president—the man who runs this plant. He is a very rich man, and he has been known to desert his castle and sleep in the shop, preferring that kind of a life. He is a very rich man. What is his name?

Mr. MELBROOK. Hozalo Ropez (?). Mr. Lopez, as I said, thinks he makes presidents. He says if a president is going all right he will build him up, but if he is not all right he will cut his legs off. He is just the man who said it.

The CHAIRMAN. Is Mr. Foster financially interested in this printing plant down there?

Mr. MELBROOK. No.

Mr. RYAN. That is, you do not know?

Mr. CLUNEX. I think I can answer that. At one time there were a couple of American gentlemen down there and they were in the plant a little while, and Foster said they put the proposition up to him to go and ask Lopez if they could buy an interest in it and Lopez said, "No; there were two things he always did in life; he never took a partner and never got married, because," he said, "everything can be all right up on the table here, but it is underneath." So from that answer I do not think Foster is interested. The fact is, he told them he would not give a share in it.

STATEMENT OF MR. M. J. HOLMES, 478 FORTY-SECOND STREET, BROOKLYN, N. Y.

Mr. RYAN. What is your full name, Mr. Holmes?

Mr. HOLMES. M. J. Holmes.

Mr. RYAN. Where do you live?

Mr. HOLMES. At 478 Forty-second Street, Brooklyn, N. Y.

Mr. RYAN. Are you working at your trade?

Mr. HOLMES. I work at my trade as a dry printer.

Mr. RYAN. Are you a bank-note printer?

Mr. HOLMES. Yes, sir.

Mr. RYAN. You have heard what the other witnesses have said here; do you remember anything they have forgotten?

Mr. HOLMES. There is not anything I could recall that they have forgotten, only about this man McNulty being down there, and when

he left he seemed to be dissatisfied with the check he got for staying there.

Mr. CARLIN. Who was that?

Mr. HOLMES. McNulty.

Mr. CARLIN. Was he a Government employee?

Mr. HOLMES. He was a Government employee. He is a machinist in the Bureau of Engraving and Printing, in charge of the perforators and gummers. He brought the parts of the machines down there with him and helped to fix them up and he got them in very good condition. And when he left there he was dissatisfied with the check he got. He figured he ought to have been paid more.

Mr. CARAWAY. Do you know that—did you talk with him?

Mr. HOLMES. Yes, sir; I lived in the same house with him and was with him practically every night.

Mr. VOLSTEAD. What part did you have?

Mr. HOLMES. I was a plate printer down there. I went down there six weeks after Mr. Cluney and Mr. Melbrook. I was to have gone at the same time, but there were only two presses ready and only two men went down.

The CHAIRMAN. Were you a Government employee when you went down there?

Mr. HOLMES. No, sir; I never worked for the Government.

The CHAIRMAN. Were you a member of the union?

Mr. HOLMES. Yes, sir.

The CHAIRMAN. How did it happen you broke the union rules?

Mr. HOLMES. At that time there was not a rule. It was since we went down there this resolution Mr. Holder read was enacted.

Mr. VOLSTEAD. Where did you get the machinery from?

Mr. HOLMES. Robert Hoe & Co., of New York City, the same people who make the machines for the Bureau of Engraving and Printing. The perforating machines all come from Hoe.

Mr. VOLSTEAD. They were all new machines?

Mr. HOLMES. They were all new machines; yes, sir. The perforating machines and gummers they had there they claimed there were no other machines like them in the country outside of those in the Bureau of Engraving and Printing, and they were made from designs of machines in the bureau.

Mr. CLUNEY. I heard Foster say Mr. Lopez wanted Mr. Ralph to sell him the old machines, these perforating machines; but I am certain they could not use them because the sheets we were using down there were a little larger and we had to get different machines; and he also tried to sell a machine called the ——— press, that is being used in Washington to-day printing stamps. But it was not a success, so Foster did not dare propose to Mr. Lopez to buy it.

The CHAIRMAN. Mr. Ryan, what is your information as to how long this plant has been running in Cuba?

Mr. RYAN. Since 1911.

The CHAIRMAN. And it has been running continuously since then?

Mr. RYAN. Mr. Foster came to me some time in 1911 and wanted to employ me as his attorney; and I would not let that relation exist on account of my relations here for nearly 30 years.

I want to put some letters which I have here in the record.

The CHAIRMAN. Without objection, they may be inserted in the record.

(The letters above referred to are as follows:)

NEW YORK PLATE PRINTERS' UNION, No. 5, OF THE
INTERNATIONAL STEEL AND COPPER PLATE PRINTERS' UNION OF
UNITED STATES AND CANADA,
New York, February 6, 1916.

HON. CHARLES C. CARLIN.

DEAR SIR: At the last meeting of above union I was instructed to thank you in their behalf for the introduction by you in the House of bill H. R. 9820, which we feel will be to the interest of our craft. We hope to be able to show our appreciation in a more tangible way if opportunity offers. With best wishes, I am,

Sincerely, yours,

THOS. G. KEGAN, *Secretary,*
261 Prospect Place, Brooklyn, N. Y.

INTERNATIONAL STEEL AND COPPER PLATE
PRINTERS' UNION OF NORTH AMERICA,
Philadelphia, February 1, 1916.

HON. CHARLES C. CARLIN,
House of Representatives, Washington, D. C.

DEAR SIR: At the last meeting of this local the following resolution was adopted:

"Resolved, That we extend to the Hon. Charles C. Carlin, of Virginia, a letter of thanks for his untiring efforts on behalf of the plate printers, and especially for introducing the Holder resolution to the House of Representatives, same to be known as bill No. 9820.

"Resolved, That we wish him continued success in the future in his endeavor to serve the people.

"That a copy of the resolution be spread upon the minutes."

Thanking you again, I beg to remain,

Yours truly,

[SEAL.]

JULES RITTER, *Secretary Local No. 1.*

INTERNATIONAL BROTHERHOOD OF STEAM SHOVEL AND DREDGE MEN,
Chicago, Ill., February 8, 1916.

HON. CHARLES C. CARLIN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: By separate mail we have forwarded to you copy of January issue Steam Shovel and Dredge, on page 36 of which you will note article entitled "The Holder resolution," which we believe will be of interest to you, since we learn that you have introduced in Congress bill 9820.

It is with sincere gratitude to you that the labor movement of the country will receive the support you have given this measure, as its passage is of invaluable merit to those affected.

Assuring you that we appreciate the assistance you have rendered in this matter, we remain,

Respectfully, yours,

INTERNATIONAL BROTHERHOOD OF STEAM SHOVEL AND DREDGE MEN,
T. J. DOLAN, *General Secretary-Treasurer.*

INTERNATIONAL STEEL AND COPPER PLATE
PRINTERS' UNION OF NORTH AMERICA,
Philadelphia, February 10, 1916.

Congressman CHARLES C. CARLIN.

DEAR SIR: In behalf of the International Steel and Copper Plate Printers' Union of North America I want to thank you for the interest you have taken in our cause.

I trust that the bill presented by you on January 22 (H. R. 9820) will be a benefit to all Government employees and hope that it will be passed by the Sixty-fourth Congress.

Once again thanking you for the favors granted in the past and wishing you success in the future, I am,

Very truly, yours,
[SEAL.]

JAMES E. GOODYEAR,
International Secretary.

CENTRAL FEDERATED UNION OF GREATER NEW YORK AND VICINITY,
New York, January 29, 1916.

HON. C. C. CARLIN,
*Member House of Representatives,
House Office Building, Washington, D. C.*

DEAR SIR: By direction of this body I take great pleasure in informing you that your H. R. 9820, a bill for the purpose of limiting the activities of certain officers and employees of the Government, was unanimously indorsed, and that the body voted you its thanks for the fearless introduction of this, in our opinion, very necessary legislation.

We hope that you will be successful in having it placed on the statue book and assure you that if we can be of service to you in assisting you in that accomplishment, we shall only be too glad and anxious to do so.

Very truly, yours,
[SEAL.]

ERNEST BOHM, *Corresponding Secretary,*
210 East Fifth Street, New York.

INTERNATIONAL STEEL AND COPPER PLATE
PRINTERS' UNION OF NORTH AMERICA,
Boston, Mass., February 14, 1916.

HON. CHARLES C. CARLIN.

DEAR SIR: We, the officers and members of Local 3, wish to express our appreciation for the great services you have rendered this international union in the past, and sincerely hope you will be very successful in all your undertakings in the future. I remain,

Respectfully, yours,
[SEAL.]

WALTER A. BURKE,
Secretary, 22 Whitney Street, Roxbury, Mass.

PLATE PRINTERS' BROTHERHOOD OF NEW YORK,
New York, February 22, 1916.

HON. CHARLES C. CARLIN,
Washington, D. C.

SIR: At the last meeting of our organization I was instructed to write and thank you for your good work on behalf of the plate printers, and to assure you that if at any time we can be of any assistance to you in any way we will be only too glad to show our appreciation more materially.

With best wishes for your continued success, I remain,
Very truly, yours,
[SEAL.]

HERBERT E. FELLOWS,
Secretary, 232 Quincy Street, Brooklyn, N. Y.

INTERNATIONAL PRINTING PRESSMEN AND
ASSISTANTS' UNION OF NORTH AMERICA,
Pressmens Home, Tenn., February 29, 1916.

HON. CHARLES C. CARLIN,
House Office Building, Washington, D. C.

MY DEAR MR. CARLIN: I take this means of extending to you the appreciation of the International Printing Pressmen and Assistants' Union in the matter of the support that you are rendering the plate printers' international body.

It is the opinion of our organization that the bill introduced by you in behalf of the plate printers is a meritorious one and deserving of favorable consideration by Congress. We believe, moreover, that it is well grounded so far as genuine protection is concerned, and express the hope that Congress will give

greater consideration to such measures in order that the future welfare of industrial activities in this country may be properly safeguarded.

With high personal regards, I am,

Respectfully, yours,

GEO. L. BERRY, *President.*

INTERNATIONAL STEEL AND COPPER PLATE PRINTERS' UNION,
Chicago, February 24, 1916.

HON. CHARLES C. CARLIN,

DEAR SIR: The officers and members of Local No. 4 of the International Steel and Copper Plate Printers' Union of North America have instructed me to offer to you their sincere thanks for introducing bill H. R. 9820 to Congress. We believe that the passing of this bill will be the means of doing a great good to American industry and to American labor, especially to the plate printers of this country. Again thanking you, I beg to remain,

Yours, very sincerely,

[SEAL.]

FRANK W. NYSTROM,
Secretary, 553 1/2 Aberdeen Street.

Mr. CARAWAY. Does Mr. Ralph seem to continue to manifest an interest in that plant down there?

Mr. RYAN. I do not know whether he manifests any interest now or not. He does not manifest the lively interest he formerly did, since the introduction of this bill.

Mr. CARAWAY. Up to that time, did he?

Mr. RYAN. I have only the information from these gentlemen that you have heard here as to just what his activities were, and having met Mr. Rodriguez in Washington, that he took him around the plant here; that he got the position there for Mr. Foster; that he sent these men down there, and that Mr. Foster seemed to exercise jurisdiction over the Bureau of Engraving and Printing, in so far as saying whether a man could get back or not.

Mr. WILLIAMS. Don't you think this would be a good law, to provide that a man who took such an active part as you say this man Ralph did while in the employ of the Government service ought to be removed from office?

Mr. RYAN. I think this—

Mr. WILLIAMS. Just answer my question, first.

Mr. RYAN. Yes; I think that a man who would try to take work away from the American workmen and ruin American capital, and not protect his country, and if he was an official, I would say that such a man ought to do either one thing or the other. He ought to resign or—

Mr. WILLIAMS. Now, that is one good reason; but is he doing his whole duty to his Government? Is he fair with his Government?

Mr. RYAN. That depends entirely—I do not think so; that is my opinion.

Mr. VOLSTEAD. Let me ask you a question: What do you know about what part he had in starting this plant?

Mr. RYAN. Only what you gentlemen have heard here to-day.

Mr. VOLSTEAD. Is it not a fact they said this company was formed down there in Cuba and that they came up here and bought their machinery and that they went to the bureau and got a man out of the bureau? Have you any information or evidence that Ralph had anything to do with starting it?

Mr. RYAN. I certainly have.

Mr. VOLSTEAD. Only the fact he gave some assistance to get it started.

Mr. RYAN. An unusual amount of assistance.

Mr. VOLSTEAD. Just the fact that one man went down there, as alleged, who resigned and quit here. How do you figure out that Ralph had anything to do with that?

Mr. RYAN. Isn't there more than that?

Mr. VOLSTEAD. I am asking you that. Is there any evidence that he was responsible for the fact that the man went out of his bureau to go down there and become the head of it?

Mr. RYAN. You know as a lawyer that there is certain information that you can not lay your hands on; but after you have proved a certain state of facts, as we have to-day, then you leave it to the jury to decide.

Mr. VOLSTEAD. I am asking you if you know. You are furnishing an opinion as well as the facts. Let us hear what you actually know about it.

Mr. RYAN. The only thing I know is this: I do know it was common talk when Mr. Rodriguez came here that he was in the bureau and that he was taken around the bureau; that Mr. Ralph made two visits down there; that he slept at the palace down there and went down there and exercised an unusual amount of authority in speeding up the presses.

Mr. VOLSTEAD. Who did this palace belong to?

Mr. RYAN. It belonged to Mr. Rodriguez. I know that he went to this man's press and to another man's press and said: "Speed up; takes these idlers off the press"; and that this man says the blankets came down there with ink on them. Now, I take that as being an unusual amount of activity shown on the part of this man. It is for you gentlemen to say whether you want to probe further. For example, you have it in your power to call for the records showing how long McNulty was there and how long this machinist Crocker was there, and to see whether they were paid during this time or not; that they got a check for their work. Now you can not prove fraud always; that is, actually, by the witnesses, that fraud was committed; but the fact that you have proved a certain state of facts—one, two, three, four, five—then you may have enough to say whether fraud has been committed or not.

Mr. HOLDER. For the gentleman's information, I have an account which appeared in a Spanish paper published on the island of Cuba at the time the inauguration was taking place, stating that Mr. Ralph made a speech and said he was requested to come to Cuba by Mr. Joseph Rodriguez, proprietor of the Cuban Bank Note Co., for the purpose of taking charge of directing the installation of the machinery—that he was requested to come there and take charge of the installation of the plant by the proprietor of it.

Mr. CARLIN. Who is that that was requested; Mr. Ralph was requested?

Mr. HOLDER. Yes, sir.

Mr. RYAN. We have the man here who translated that for The Plate Printer.

Mr. CARLIN. The gentleman on his feet was about to testify about some dissatisfaction about the McNulty check; what was that?

Mr. HOLMES. He expected more money than he got. I asked him the question: I said, "What are you getting, Mack?" and he said, "I got my fare and my expenses while away from home here." And he said, "I am dissatisfied with this; I think there is a little shortage in it." I said, "Why don't you go in and find out?" He said, "It does not do any good; I have been to Foster and he says that is all Lopez will do for you and that is all you can get."

The CHAIRMAN. You mean all he got was his fare and his expenses down there?

Mr. HOLMES. His fare and his expenses down there.

The CHAIRMAN. And if he had been working for the Government he would have gotten his salary?

Mr. HOLMES. He told us he had 30 days leave of absence.

Mr. RYAN. That seems to be sort of a self-serving declaration.

Mr. HOLMES. He must have been paid for his vacation; as I understand, all the employees of the bureau are entitled to that.

Mr. DYER. Yes; they are entitled to that.

Mr. HOLMES. They are entitled to that, but as I supposed, a man is not expected to work at his trade when he is on his vacation.

Mr. DANFORTH. He can do what he pleases.

Mr. HOLMES. I understand he can do what he pleases. Anyway, he was paid for the month he was there—he was there more than a month; he was there four months.

Mr. CARLIN. In other words, he was paid for three months of his time by the Bank-Note Co. of Cuba?

Mr. HOLMES. Yes, sir.

Mr. CARLIN. And for one month's time by the United States Government?

Mr. HOLMES. Naturally. He said the month was coming to him. He said they didn't tell him anything before the time he left Washington. Mr. Startzell mentioned the same thing; he said, "I was handed my ticket to go to Cuba and was only given a day's notice."

The CHAIRMAN. What wages did he get down there?

Mr. HOLMES. Who?

The CHAIRMAN. McNulty.

Mr. HOLMES. That I do not know.

The CHAIRMAN. You do not know what he got?

Mr. HOLMES. No.

Mr. HOLDER. This man could answer that. Probably he would tell you, but he would not tell us.

The CHAIRMAN. Do you know what he was paid while he was here?

Mr. HOLMES. No; I do not. The plate printers could probably tell you. Outside of the plate printers, I would not know his salary.

The CHAIRMAN. You mean to say that you stayed in the same house with this fellow and you talked with him?

Mr. HOLMES. Yes, sir; I saw him every night.

The CHAIRMAN. And yet he never told you what salary he was getting?

Mr. HOLMES. No; he kept that to himself.

The CHAIRMAN. Did you ever ask him?

Mr. HOLMES. Yes, sir; but I could not get any information on that score.

Mr. MELBROOK. I may say, Mr. Chairman, that I was in the party when he said he was very much dissatisfied with his cheek, and we told him to go back, and he said "No; I guess not. I wouldn't dare go back; he has got too many friends here in Washington."

The CHAIRMAN. Where is McNulty now?

Mr. HOLMES. Working in the bureau.

Mr. CARLIN. In the Bureau of Engraving and Printing?

Mr. HOLMES. Yes, sir; in the perforating room in charge of some of the perforating machines. He is there now and has been for quite a number of years.

Mr. MELBROOK. I wish to state that down there this drying box, where they dry all the work, is Mr. Ralph's own design and invention. It took him some time to get it up, with steam pipes all around it, and it is Mr. Ralph's own idea.

The CHAIRMAN. Was that installed in the Government service here?

Mr. HOLMES. They have a drying box almost similar to that.

Mr. HOLDER. Now in the Government Bureau of Engraving and Printing.

The CHAIRMAN. I mean in the Bureau of Engraving and Printing. Is that the same drying box you speak of as existing in the Bureau of Engraving and Printing that is installed in Cuba?

Mr. HOLMES. That is what they claim. They claim to have the same system.

The CHAIRMAN. That is Mr. Ralph's invention.

Mr. HOLMES. He seems to be the author of it.

Mr. CARLIN. He is not entitled to an invention as an officer of the Government.

Mr. RYAN. We would not say that. I would not want to go that far and say he could not get out an invention and then get no profit out of it.

Mr. DYER. That is certainly done in the various departments, Mr. Carlin.

Mr. CARLIN. I inquired to know if it is permissible.

Mr. DYER. Officers of the War Department have made inventions and they have made millions out of them—some of them.

Mr. CARLIN. The Government, as I understand the law, has the right to use anyone's patent without compensation.

Mr. TAGGART. He can bring a suit in the Court of Claims or he can ask Congress for compensation in the event the United States Government takes anybody's patent and uses it.

Mr. CARAWAY. That did not use to be the law.

Mr. TAGGART. I noticed in the Star last night there was a decision by one of the Federal courts along that very line.

STATEMENT OF MR. L. L. QUESADA, OF WASHINGTON, D. C.

Mr. RYAN. Are you a resident of the District of Columbia?

Mr. QUESADA. Yes, sir.

Mr. RYAN. Are you a plate printer?

Mr. QUESADA. Not at the present time.

Mr. RYAN. What is your business?

Mr. QUESADA. I am in the automobile business.

Mr. RYAN. I want to ask you if you are Spanish.

Mr. QUESADA. Cuban by birth.

Mr. RYAN. Do you know Mr. Rodriguez?

Mr. QUESADA. Yes, sir.

Mr. RYAN. Tell us what you know about this matter.

Mr. QUESADA. Around 1911 I knew there was going to be a place opened in Habana, and being a native of the country I was anxious to go back there. In fact, I was promised a position to go back there. I used my influence, which is pretty good influence, too. My cousin, who was in this country a good many years ago, Minister Quesada, who died in Berlin in 1898, was the minister from Cuba, and the minister from Cuba to-day is also my cousin. And I had the finest kind of influence, and tried to use that to get that position that was offered to me by my cousin. But I was informed that the whole business was in the hands of Mr. Ralph, and that Mr. Ralph had selected this young man named Foster to go to Cuba, and I was very much disappointed about it, and did not get the position which I thought I was entitled to.

Mr. NELSON. The position down there?

Mr. QUESADA. Yes, sir; the position Mr. Foster has now. I thought I was entitled to it, and I knew the native tongue, and had big influence there; but on account of it being in the hands of Mr. Ralph, of course, I had no influence with him at all and he selected the man.

Mr. DYER. You say Mr. Ralph selected the man. All you know as to the truth of that is what somebody has told you?

Mr. QUESADA. Exactly.

Mr. DYER. You never talked with Mr. Ralph?

Mr. QUESADA. No; I never made application after I found out Mr. Ralph had charge of establishing the plant in Cuba; there was no use of my going any further, because my influence was of no value at all.

Mr. RYAN. Did you make a translation of any paper after the inauguration of this plant?

Mr. QUESADA. Yes, sir; shortly after the inauguration of the plant in Cuba, three or four months afterwards, I received papers which were mailed to me by Mr. Foster. There were three or four of them, and there were three or four pages of nothing else but the inauguration of the opening of this plant, and it gave pictures of Mr. Ralph, Director of the Bureau of Engraving and Printing, and also a picture of "Porte"—that is his nickname. That is the man who is a big, rich Spaniard over there, who has got the plant. And it went on to say that after partaking of champagne they all made speeches and Mr. Porte, one of the things he said was the great success Mr. Ralph had made of the working of the plant and what benefit it had been to him, you know, and everything. They all made speeches. And Mr. Foster told me he was very sore about it. Foster was here afterwards and was very sore because Porte gave all the praise to Ralph and never gave him any. And in this paper there were also pictures of the different machines which were similar to those in the bureau, such as the gumming machines, and perforating machines, and power presses; and they have the stamp machines the same as they use to-day in the bureau, and describing the machines and for what they

were useful, and the different characteristics, etc. There were three pages of it which were translated. I also gave Mr. Ralph a copy of the translation and he was very much amused with it and thought it was very nice, and I also gave my boss a copy of it. On one of the first pages was a picture about the size of that picture [indicating] of Mr. Joseph E. Ralph, Director of the Bureau of Engraving and Printing, and also a picture of Porte.

Mr. RYAN. What does "porte" mean?

Mr. QUESADA. "Porte" means pot—takes in everything.

Mr. CARLIN. Are you an American citizen?

Mr. QUESADA. Yes, sir. I am a Cuban by birth. I was born in Habana, Cuba.

Mr. DYER. Where do you vote; in the District of Columbia?

Mr. QUESADA. In New York, sir. That is my official home. But I was very anxious to get the position and I was very much disappointed to find out it had been put in Mr. Ralph's hands. If it had been in the hands of the officials over there, I think I would have had a very good chance, because I had very good influence over there, but they were of no avail to me whatsoever.

Mr. DYER. Has this matter ever been presented to the Treasury or to the President?

Mr. RYAN. This matter was presented to the Secretary of the Treasury; yes sir; the very same thing, some two years ago.

Mr. CARAWAY. The present Secretary?

Mr. RYAN. I think to the present Secretary, and the present Secretary had the matter—I do not think we had the exhaustive hearing we have had to-day, but I think Mr. Ralph made certain promises at that time that he would suspend his activities in this direction.

Mr. DYER. Where did you get that?

Mr. RYAN. I was to go to this hearing and they would not let me go, for some reason or other.

Mr. CARLIN. Who would not let you go?

Mr. RYAN. Some members of a former committee.

Mr. DYER. What committee?

Mr. RYAN. Of the plate printers. They said that it would not do exactly, that "Mr. Ryan was not working actively at the trade." The beauty of having a detached man is that he will speak out his mind. But I am earning my living and have been attached to this movement for many years. I learned my trade at plate printing.

Mr. DYER. Have the plate printers mentioned you for Mr. Ralph's place?

Mr. RYAN. No, sir. They tried to make that appear. That was a very amusing thing. I was in the Wilson campaign and I was down to see you.

Mr. DYER. I know you were.

Mr. RYAN. Yes; I tried to see you.

Mr. DYER. I want you to come back again.

Mr. RYAN. Mr. Dyer and I are friends; we differ in politics only.

Mr. WILLIAMS. You differ from Dyer?

Mr. RYAN. Yes.

Mr. DYER. We agree on the plate printers' end of it.

Mr. RYAN. We agree on that; yes. And at the Rochester convention—this is an interesting story and you gentlemen ought to

hear this; it won't be a waste of time—at the Rochester convention of the American Federation of Labor I represented the Maryland State and District of Columbia Federation of Labor, and one of my colleagues, a plate printer there, says, "They are saying that you are going to be the next Director of the Bureau of Engraving and Printing." I said, "I am glad that I am not in Washington to be charged with circulating that report." A Mr. Dolan, of the steam shovel men, was very active in the labor movement—and I think my friend Carlin knows him—and he said, "Why, isn't it so, Ryan?" and three or four present said the same. And they went out, without any solicitation on my part, and went over the territory I had been in. Illinois and Missouri, and I got the full indorsement of the Missouri State Legislature and the Illinois State Legislature for Mr. Ralph's job. And I wrote to Mr. Tumulty—the papers were sent in there by a friend of mine—that he might as well let the cat out of the bag, because I never saw the resolution in my life until I visited the convention, and this gentleman is the author of it.

MR. CARLIN. Give his full name.

MR. RYAN. William Holder. It was thought that it would weaken the resolution, would weaken the activities of the printers, if I was a candidate. I denied it, and I kept it down as much as I could, and a Member of Congress, Mr. Kinkaid, said, "Ryan, you never asked anything for yourself," and he said, "You have been out in the Wilson campaign, and you are an attorney, and why don't you get something?" And he tried to get me a position, and tried to get Mr. Tumulty to have me appointed as special Assistant Attorney General to prosecute the violations of the pure food and drugs act. The position was held by a colored man. And he said, "You ought to have something"; and he said, "You ought to do that." And I said, "All right." And I went up to the White House, and he introduced me to Mr. Tumulty, and I had this indorsement. I wrote to Mr. Tumulty. I had never been an applicant for that position of director of the bureau, and I did not believe I could get it if I wanted it. I did not believe a man who was so set in his views, you understand, could get the indorsement of the Secretary of the Treasury; and I did not want to weaken our movement and weaken anything I stood for by being an applicant for that position. And I never have been; but it has been circulated industriously for the purpose of weakening the activities of the plate printers, who are not asking for anything from Congress but decent protection.

Now, I never did get the position of special assistant.

MR. TAGGART. Is that job still held by the former incumbent also?

MR. RYAN. No. Here is the way they did it—they changed the title of the office and abolished the position and that work is done by another gentleman, and as good a friend of mine as ever lived, and I am glad he got the position. The former incumbent went out. I just want to disabuse the minds of this committee of the fact that Ryan has ever been a candidate for any position, because I would not change positions now with anybody.

MR. DANFORTH. Is it not a fact, as disclosed from your narration, that the Secretary of the Treasury, Mr. McAdoo, and the Secretary to the President, Mr. Tumulty, have thrown you down?

MR. RYAN. I don't think they did. They got a better man.

Mr. DANFORTH. They got a better man?

Mr. RYAN. Yes; they got a better man. I guess they concluded that they had a better man. But I am just as happy as if I had gotten the job; and am still a Democrat.

Mr. DYER. There are not many Democrats as complacent as you, are there?

Mr. RYAN. I have been so disappointed in my life in everything that there is only one thing I am not looking for disappointment in, and that is that you will probe this thing to the bottom and give us the real facts; and if I am wrong just bring me up here and tell me I am wrong.

Mr. NELSON. Is the purpose of this bill to prevent reinstatement of certain people or to oust Mr. Ralph?

Mr. RYAN. The purpose of this bill is to restrict the activities of employees of the Government and prevent them from giving their time, knowledge, and experience, in the course of their employment, and from taking work from American workmen and ruining American capital, and to erect, if you please, such a wall of protection around the United States that will give us real prosperity.

Mr. CARAWAY. You may have lost a vote by saying the purpose was not to oust the present incumbent, because I might have been with you on that.

Mr. RYAN. I do not want to do by indirection what I can not do by direction, and that can be done without any assistance on my part at all.

Mr. VOLSTEAD. If you are a real Democrat, how can you stand for such protection as this, which is a good deal worse than the Republicans ever stood for?

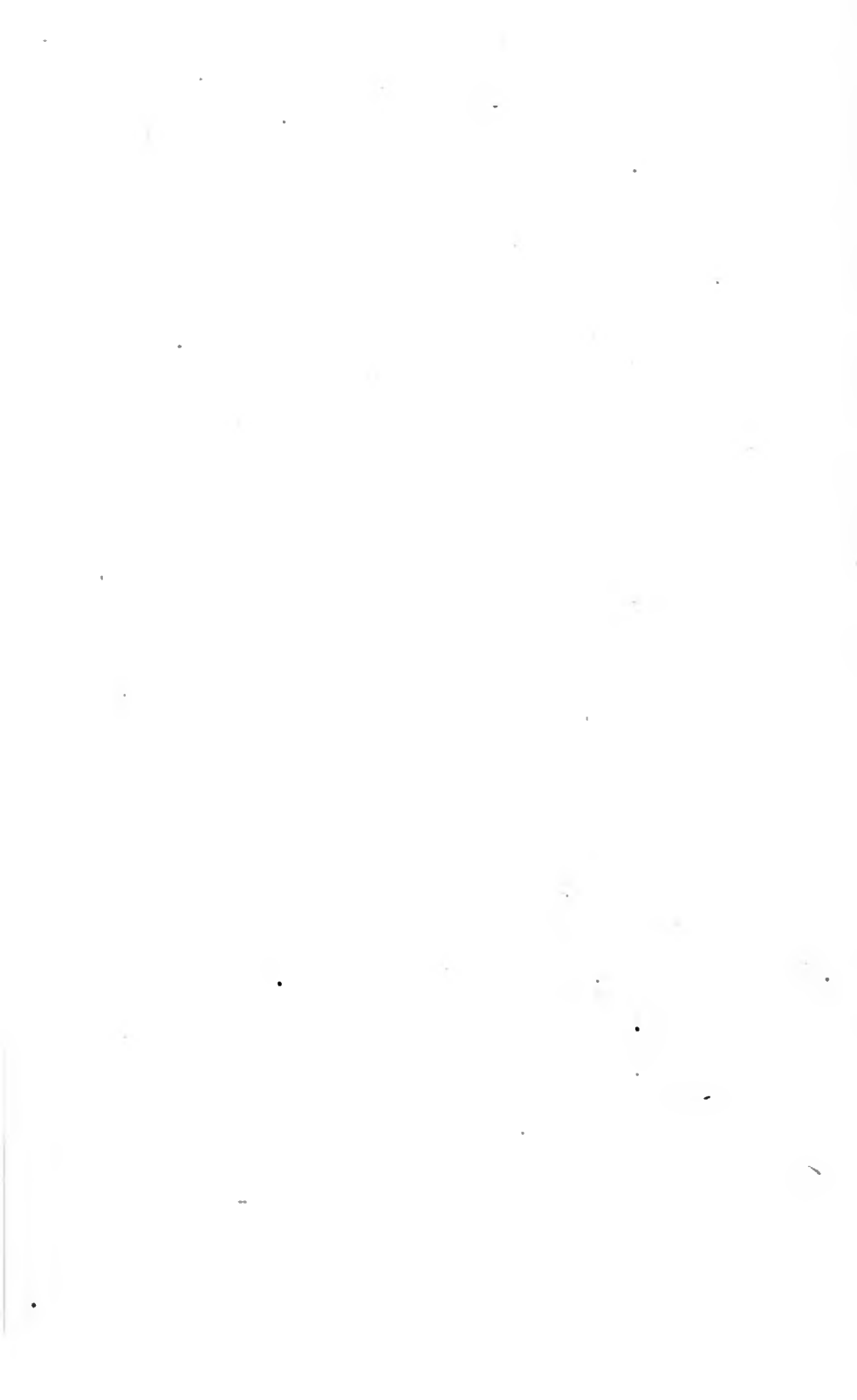
Mr. RYAN. I said that without the least ulterior motive.

The CHAIRMAN. Does that conclude the hearing?

Mr. RYAN. Before you conclude the hearings I hope you will send for Mr. Ralph, and that we may have a chance to cross-examine him, and that you will send for the records of McNulty and others.

The CHAIRMAN. If we have any further hearings I will have the clerk notify you, so that you can be present.

(The committee thereupon proceeded to the consideration of other business.)



COMMITTEE ON THE JUDICIARY.

HOUSE OF REPRESENTATIVES.

SIXTY-FOURTH CONGRESS.

EDWIN Y. WEBB, North Carolina, *Chairman*.

CHARLES C. CARLIN, Virginia.
ROBERT Y. THOMAS, Jr., Kentucky.
JOSEPH TAGGART, Kansas.
WILLIAM L. IGOE, Missouri.
WARREN GARD, Ohio.
WM. ELZA WILLIAMS, Illinois.
RICHARD S. WHALEY, South Carolina.
HARRY H. DALE, New York.
THADDEUS H. CARAWAY, Arkansas.
M. M. NEELY, West Virginia.

HENRY J. STEELE, Pennsylvania.
J. RANDALL WALKER, Georgia.
ANDREW J. VOLSTEAD, Minnesota.
JOHN M. NELSON, Wisconsin.
DICK T. MORGAN, Oklahoma.
HENRY G. DANFORTH, New York.
GEORGE S. GRAHAM, Pennsylvania.
WALTER M. CHANDLER, New York.
LEONIDAS C. DYER, Missouri.
HUNTER H. MOSS, Jr., West Virginia.

A. L. QUICKEL, *Clerk*.

LIMITING THE ACTIVITIES OF CERTAIN OFFICERS AND EMPLOYEES OF THE GOVERNMENT.

SERIAL 32, PART 2.

LETTER (AND INCLOSURES) OF HON. J. E. RALPH TO HON. E. Y. WEBB, CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES.

TREASURY DEPARTMENT,
BUREAU OF ENGRAVING AND PRINTING,
March 18, 1916.

Hon. E. Y. WEBB,
*Chairman Committee on the Judiciary,
House of Representatives.*

SIR: I have noticed by reports in the newspapers of yesterday and to-day that your committee held a hearing on House bill 9820, entitled "A bill for the purpose of limiting the activities of certain officers and employees of the Government," and it developed at the hearing in the discussion of the bill that there was some criticism of my acts as Director of the Bureau of Engraving and Printing along the line which this bill is intended to prevent and, in view of this criticism, I deem it proper that I should state as briefly as possible to you the facts relative to any acts of mine which may have been construed as contrary to the purposes of this bill.

In the first place, I desire to say that personally I have no objection to the bill, as its enactment will immediately place at my disposal for the more important duties of my position a great deal of time which I must necessarily now give diplomatic officers of foreign countries who come to this bureau with requests from my superior officers for information regarding the business of the bureau. This call on the bureau for information by the representatives of foreign Governments is no new practice, as the bureau has, almost since its organization, given such information as might be requested to representatives of foreign Governments for the reason that it has been the policy of the Government, as expressed through various letters from the Secretary of the Treasury, to extend any possible courtesy to these representatives of friendly foreign Governments. As far back as 1885, on request of the Secretary of State, the Secretary of the Treasury directed that an official of the Japanese bureau of engraving and printing be permitted to learn the work of engraving in the bureau and he did so remain for four years and is now, I believe, the head of the Japanese bureau of engraving and printing. At various times since then representatives of other foreign Governments have been accorded the privilege of inspecting the work of the bureau and have been furnished information relative thereto in connection with their inquiries which possibly referred to the establishment of similar plants in their own countries, and since I have been director of this bureau I have been visited by representatives of the Russian, German, Swedish, Chinese, Canadian, Japanese, and Chilean Governments. I am not aware, however, that any material detriment to American interests has yet resulted from these conferences. I mention these requests from foreign Governments for the purpose of showing in what an unfriendly and ungracious position our State Department and Treasury Department would be placed when future requests are made by friendly Governments, and past experience has shown that no detriment to American interests has resulted from such visits to this bureau.

While, of course, I am speaking with regard to the engraving and printing business particularly, I might incidentally call attention to the fact that nearly every branch of our Government is engaged in interchange of ideas, formulas, and suggestions regarding businesses of all kinds with foreign Governments, as, for example, the work of the Department of Agriculture with regard to food products. Consideration should be given by your committee as to whether this bill will have the effect of blocking important Government work in lines of Government activities other than engraving and printing.

With reference to the establishment of the plant in Cuba, on which great stress appears to have been laid at the hearing, from the newspaper reports, I beg to inclose herewith copies of correspondence in October, 1913, between Mr. Samuel Gompers, president of the American Federation of Labor, and myself on this subject in which my answer will fully explain my connection with the establishment of the plate-printing industry in Habana. The matter was taken up with me by Mr. Gompers at the request, I believe, of the American Bank Note Co.

It should be noted that four of the five plate printers of the Cuban establishment were obtained from a private concern and not from bureau, but, even if all of them had resigned from the bureau

to accept employment in Cuba they had a perfect right to do that, and there was no reason why, if their services were needed when they desired to return, this bureau should not reinstate them. In the case of Patrick Rooney, the only printer who left the bureau to go to Cuba, and who was reinstated in the bureau, it should be noted that he forfeited all his rights as to seniority earned by 25 years' service in the bureau, and when reinstated was placed at the foot of the list of chance printers. Messrs. McNulty and Crocker, mentioned in the report of the hearing, are not printers and did not leave the service of the bureau. They applied for leave of absence and used their leave in visiting Cuba, as they undoubtedly had a perfect right to do.

It is difficult to understand, however, why it is necessary to enact legislation to prevent the plate printers from going to foreign countries to aid in the establishment of plate-printing plants when the men who went were all members of the plate-printing union, and the union itself had the authority to either direct them not to go or to expel them from its ranks if they did go. I have not heard that any action of this sort has been taken against these men for doing that which the union now desires to prevent by law.

It may also be noted that the Chinese Government successfully established an engraving and printing plant by obtaining its force of Americans for instructors without the aid of this bureau in that respect, and, while it may appear that the establishment of these foreign plants affects particularly the business of private engraving and printing plants, at the same time all, or most all, of the supplies used in the business of these foreign engraving and printing plants, including machinery, paper, inks, etc., are purchased in this country, and therefore aid other American industries.

In view of the fact that the employees for the Chinese and Cuban plants were drawn principally from a commercial plant, the question may very properly arise as to why the bill under consideration should discriminate against Government employees and prohibit them from doing what the employees of private concerns may do without question.

With regard to the references in the newspaper reports to the establishment of a plant in Chile, I inclose herewith copies of letters from the Secretary of State and Secretary of the Treasury by which I am directed to aid the representatives of the Chilean Government in obtaining any information desired by them regarding the operation of this bureau. I have not heard that any steps have been taken toward the establishment of this plant, but whatever information they obtained was given by me upon direct instructions from my official superiors, as was the case in all other instances with regard to foreign Governments, except as to the Cuban matter, and in that case whatever information was furnished was done as a matter of courtesy to Mr. George P. Foster, the manager of the plant, who was for many years a prominent and valued employee of this bureau, and who was the president of the plate printers' union, and was the recipient from them at the time he left for Cuba to take charge of the plant of a handsome and valuable testimonial as proof of their high regard for him and good wishes for his success in Cuba.

This bill was introduced, I believe, as a means by which those members of the plate printers' union who are inimical to me co-

make attempts to discredit my work as Director of the Bureau of Engraving and Printing, and as proof of this I inclose a newspaper clipping quoting remarks of William Holder, president of the Plate Printers' International Union, and an employee of the American Bank Note Co., who prepared a resolution that was adopted by the plate printers, and on which the bill is based. I might add for your information that the so-called Holder resolution was offered for approval at the convention of the American Federation of Labor at San Francisco during the past summer, and the convention by vote declined to approve it.

Respectfully,

J. E. RALPH, *Director.*

TREASURY DEPARTMENT,
BUREAU OF ENGRAVING AND PRINTING,
October 31, 1913.

MY DEAR MR. GOMPERS: I am in receipt of your letter of the 30th instant, as follows:

There is a matter which I desire to call to your attention and about which, if you can, I should like to have some information from you. Statements have been made to me that some officials, and among them you as the Director of the Bureau of Engraving and Printing, have been active in the effort to establish bank-note plants by and for foreign countries, and that you have encouraged and aided such establishments.

You know that the bank-note engraving and printing is peculiarly an American industry. In it are employed men and women of talent, ability, and enterprise; that it affords a fair opportunity for employment of quite a number of our fellow American citizens, and that if foreign countries were advised, encouraged, and assisted to establish plants for their Governments and for private enterprises in a very short time after their existence American workmen would be eliminated.

Can you and will you kindly give me what information you can as to these matters? I shall appreciate the courtesy of your early reply.

I have carefully considered this letter and have concluded that it was prompted by statements made to you by or through Mr. Warren L. Green, president of the American Bank Note Co., for the reason that similar statements have been made by him heretofore to the Secretary of the Treasury, and on this assumption I beg to state that it is realized that the installation of plate-printing plants in countries that heretofore have been employing the American Bank Note Co. to engrave and print their securities will have a damaging effect upon the business of the American Bank Note Co., and in view of this fact this bureau has never, to my knowledge, furnished information that would be of any value to private individuals in establishing such plate-printing plants. This bureau has, however, practically since its organization given such information as might be requested to representatives of foreign Governments, for the reason that it has been the policy of the Government, as expressed through various letters from the Secretary of the Treasury, to extend any possible courtesy to representatives of friendly foreign Governments.

Without going too far back into the past in the search of records, it may be stated that in 1885, on request of the Secretary of State the Secretary of the Treasury directed that Mr. Sukieche Oyama, an officer from the bureau of engraving, Japanese finance department,

be permitted to learn the work of engraving in this bureau, and Mr. Oyama remained in the bureau from that year until 1889, and I believe is now the head of the Japanese bureau of engraving and printing. At various times since then, representatives of other foreign Governments have been accorded the privileges of inspecting the work of the bureau and have been furnished information relative thereto in connection with their inquiries, which possibly referred to the establishment of similar plants in their own countries, and since I have been director of this bureau I have been visited by representatives of the Russian, German, Swedish, Chinese, Canadian, Japanese, and Chilean Governments. I am not aware, however, that any material detriment to American interests has resulted from these conferences. On several occasions, when these foreign representatives have visited the bureau, I have, through my interest for American industries and labor, notified Mr. Green of the fact that these countries were looking into the matter, the latest instance being when the Chilean minister called on me with letters from the Secretary of State and the Secretary of the Treasury with reference to securing information that would assist his country in establishing a bank-note plant in Chile, and I also informed Mr. Green of the visit of Mr. Lopez to this bureau for the purpose of getting similar information. In 1908, shortly after I was appointed director, I wrote R. Hoe & Co., a private press-manufacturing establishment in New York City, in reply to their request for information which they desired to furnish the National Printing Works and the Bank of France in Paris that "it is the policy of this bureau to decline to give information regarding its technical processes or finished product for the reason that such information might, through inadvertence, be permitted to reach the possession of parties engaged in counterfeiting or other fraudulent practices, and moreover it is not regarded to be proper that the Government should give information that might be used to the detriment of private American industries," thus showing that the line was drawn closely between information requested by private individuals and that requested by representatives of foreign Governments.

This question has arisen during a great many years past, and is not confined to the period during which I have been in charge of the bureau, and the records of the bureau show that invariably the decision was reached that it would be impossible to decline to extend the courtesy of furnishing such information to the representatives of foreign Governments.

While it has been the practice to decline to furnish information to private individuals representing foreign countries, or who, as in the case of R. Hoe & Co., were to furnish machinery for plate printing in foreign countries, exactly the opposite policy has been pursued with regard to domestic bank-note companies. These companies, and especially the American Bank Note Co., have been accorded every facility for inspecting the processes of this bureau, and their representatives have many times been afforded an opportunity to inspect new devices and methods that have been adopted and that might be useful in their bank-note work. Notwithstanding this free and hearty cooperation on the part of this bureau to improve the bank-note engraving and printing business in this country, there has not been the same cooperation on the part of the

American Bank Note Co., as they have surrounded their business with very strict regulations; in fact, going so far that representatives of this bureau have been refused permission to inspect their plant.

With regard to the establishment of the plate-printing plant in Cuba by Mr. Jose Lopez Rodriguez, I would state that Mr. Lopez came to my office bearing a letter of introduction from the Parsons Trading Co., of New York City, and with an interpreter, and desired to get information relative to the methods used in the bureau, but I declined to furnish him with the information desired and suggested to him that the only method by which he could handle such a matter would be to employ some one competent to advise him, and he accordingly employed Mr. George P. Foster, who was an employee of this bureau, as manager of his business, and through Mr. Foster's knowledge as a plate printer and as a prominent official in the plate printers' organization, Mr. Lopez successfully established his plant.

Later, after Mr. Foster had taken charge of the plant and asked me for certain information to overcome some difficulties that he was having, I, as a matter of courtesy to an old and valued employee of this bureau, gave him some help, but the business was then established and the information could have had no effect one way or the other upon the question of the work being taken from the American Bank Note Co. However, Mr. Foster arranged to have all of his plates engraved in this country by the Republic Bank Note Co., of Pittsburgh, and the Security Bank Note Co., of Philadelphia, and is employing American plate printers in his establishment, so that while the contract for the Cuban work was lost by the American Bank Note Co., yet the work is now to a large extent being performed by Americans. Similar opportunity to inspect the work of this bureau was afforded the Republic Bank Note Co., of Pittsburgh, and the Security Bank Note Co., of Philadelphia, and representatives of both of these companies called at the bureau to obtain information relative to the manner in which plates were engraved in connection with the work they were furnishing Mr. Foster.

It would seem that foreign countries were able to establish plate printing plants without the aid of this bureau, in view of the fact that the Chinese Government have established such a plant and were able, without the aid of this bureau, to get Mr. Lorenzo P. Hatch to take charge of their business, Mr. Hatch being one of the most expert engravers in this country, and having been employed by the American Bank Note Co., and they were also able to obtain the services of Mr. Guilfoyle and others who were then, or had formerly been, employed by that company. In addition to obtaining these American experts in the establishment of their business, the Chinese Government employed a firm of architects located in this city to design and erect their building in China at a cost of \$250,000. Mr. Lopez also obtained his expert ink maker and several plate printers from the American Bank Note Co. for his plant in Cuba, and he also expended probably about \$75,000 in the purchase of his equipment in this country, and I understand is now purchasing all of his supplies, such as paper, colors, engraved plates, dextrin, etc., in the United States.

It would seem that, while the establishment of these plants in foreign countries may affect the business of the American Bank Note Co., the entire business is not lost to American industry for the reason that, as above stated, most of the supplies of these companies are purchased here.

In view of the facts as above stated, I do not believe that any man working for the American Bank Note Co. could have protected their interests more than I have done under the departmental regulations and practices, and criticisms of this bureau are, therefore, unwarranted and unjustified by the facts.

Respectfully,

J. E. RALPH, *Director.*

MR. SAMUEL GOMPERS,
President American Federation of Labor,
Washington, D. C.

DEPARTMENT OF STATE,
Washington, January 11, 1912.

MY DEAR MR. SECRETARY: Señor Don Eduardo Suarez, minister of Chile at this Capital, and Señor Don Antonio B. Agacio, secretary of the Chilean Legation, desire to have an interview with the Director of the Bureau of Engraving and Printing with a view to procuring from him full information regarding the machinery that is used there and such suggestions as may be in point in view of the project of the Chilean Government to purchase American machinery of a similar kind for use by that Government. They may also wish to inspect the entire plant.

I should be glad if, perceiving no objection thereto, you would be so good as to furnish me with a letter that they may hand to the director of the bureau to the end that he will furnish them with the information they seek and, if they so desire, will facilitate their inspection of the working of the bureau.

I am, my dear Mr. MacVeagh,

Very sincerely, yours,

P. C. KNOX.

THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
January 13, 1912.

DEAR MR. RALPH: At the instance of the Secretary of State I take pleasure in introducing Señor Don Eduardo Suarez, minister of Chile at this Capital, and Señor Don Antonio B. Agacio, secretary of the Chilean Legation, who desire an interview with you regarding the operations of the bureau, in view of the project of the Chilean Government to purchase American machinery of a kind similar to that used by you. I shall be glad to have you show the minister and the secretary every courtesy within your power and afford them every facility for securing the information they desire.

Very sincerely, yours,

FRANKLIN MACVEAGH.

Hon. J. E. RALPH,
Director Bureau of Engraving and Printing.

TREASURY DEPARTMENT,
January 13, 1912.

MY DEAR MR. SECRETARY: In response to your request I take pleasure in inclosing a note to the Director of the Bureau of Engraving and Printing, introducing Señor Don Eduardo Suarez and Señor Don Antonio B. Agacio. It will afford the director pleasure to show the minister and the secretary every attention, and give them the fullest information regarding the operations of the bureau.

Very sincerely, yours,

FRANKLIN MACVEAGH.

Hon. P. C. KNOX,
Secretary of State.

ANSWER OF THE INTERNATIONAL STEEL AND COPPER PLATE PRINTERS' UNION OF NORTH AMERICA TO THE LETTER OF DIRECTOR JOSEPH E. RALPH, OF THE BUREAU OF ENGRAVING AND PRINTING, IN RE H. R. 9820, THE CARLIN BILL, TO LIMIT THE ACTIVITIES OF CERTAIN OFFICERS AND OFFICIALS OF THE UNITED STATES GOVERNMENT.

On the 22d day of January, 1916, Hon. Charles C. Carlin, Representative from the eighth district of Virginia, in the House of Representatives, introduced H. R. 9820, a bill for the purpose of limiting the activities of certain officials and employees of the Government, and on the same day the bill was referred to the Committee on the Judiciary of the House and ordered to be printed.

The purpose of this bill is to check the activities of the Director of the Bureau of Engraving and Printing and other officials of the Government who, it is alleged, have been unusually energetic in aiding in the erection and installation of a plate-printing plant in Habana, Cuba.

It is charged that about the year 1911 the Director of the Bureau of Engraving and Printing materially assisted one José Lopez Rodriguez, of the city of Habana, in establishing a plate-printing plant, which is now in operation in said city.

This plant has entered into unfair competition with American capital, to the great damage, injury, and prejudice of American labor. These unfair conditions prevail in the plant of the said José Lopez Rodriguez, and it is against unfair and alien competition that the plate printers, who are a part of the American labor movement, are protesting. In this protest the plate printers have the indorsement of over 250,000 organized workers throughout the United States affiliated with the American Federation of Labor, besides many of the engravers' leagues, which are not affiliated with that body.

The official aid given this establishment is clearly against the principle of protection to American industries for which every patriotic citizen should stand.

On the 17th day of March, 1916, the International Steel and Copper Plate Printers' Union of North America, through its representatives, were granted a hearing upon the Carlin bill before the full Committee on the Judiciary of the House, and in support of said bill the following representatives of the Plate Printers' International Union appeared: William Holder, international president, New York City; P. J. Ryan, member of the legislative committee, Local No. 2, Washington, D. C., and editor of the Plate Printer, Washington, D. C.; Walter Melbrook, plate printer, New York City; John Cluny, plate printer, New York City; Martin Holmes, plate printer, New York City; L. L. Queseda, plate printer, but now engaged in the automobile business, New York City.

On the 18th of March, 1916, Mr. J. E. Ralph, Director of the Bureau of Engraving and Printing, addressed a letter to Hon. E. Y. Webb, chairman of the Judiciary Committee of the House of Representatives, in answer to the matters and things charged in the statements of the representatives of the international union at the hearing on the Carlin bill of the 17th of March. The director's answer was based upon newspaper accounts of the hearing, which were very clear and complete. Since the hearing the director was mailed a copy of the same under the frank of the chairman of the committee, so that the director has had ample time to read the hearings and to file a supplemental answer to the charges as printed in Serial No. 32 upon H. R. 9820. It is respectfully submitted that the letter of the director to the chairman of the committee is not a complete answer to the statements and charges as they appeared in the afternoon papers of the 17th, and is rather in the nature of a justification, excuse, and avoidance of responsibility for his conduct in the matter of the erection of the Cuban plate-printing plant. Besides, his answer obscures the real issue of the case, namely, his activities in assisting José Lopez Rodriguez, a private citizen of Cuba and not a diplomatic representative of his country. It is contended by the international union that the activities of the director and other officials were unusual, and their industry in assisting in the establishment of this plant exceeded the bounds of hospitality. It is not the purpose of the plate printers to stand in the way or oppose the usual customary courtesy that is extended private citizens from foreign countries who are visiting us for business purposes and for their own emolument, but it is contended that the director and other officials went too far in this particular case.

In the introductory paragraph of the director's letter replying to the charges as they appeared in the afternoon papers of the 17th the director said that owing to a certain criticism of his directorship he deemed it proper to state as briefly as possible the facts relating to his acts in regard to the charges of the plate printers' representatives.

THE DIRECTOR SAYS HE HAS NO OBJECTION TO THE BILL.

In the second paragraph of the letter the director used the following language:

In the first place, I desire to say that I personally have no objection to the bill.

The reason assigned by the director being that he will be relieved of the duty of meeting the diplomatic officials coming to America from foreign Governments, and that it will place at his disposal more time for the important duties of his office. This statement of the director hardly comports with his industry and activities in the matter of installation of the Cuban plate printing plant, which is a private concern. It appears from the letter that there is a constant call upon the director for information by representatives of foreign Governments who come here with requests from the superior officers of the director asking him to furnish these diplomats with information regarding the business of the Bureau of Engraving and Printing. The director says that this practice is an old

one, which has obtained in the Bureau of Engraving and Printing since 1888. In support of his statements he filed a copy of a letter from the Secretary of the Treasury, Mr. MacVeagh, dated January 13, 1912, introducing Señor Don Eduardo Suarez, minister from Chile, who desired an interview with the director regarding the operations of the bureau in view of a project of the Chilean Government for purchasing machinery similar to that used in the bureau.

The International Steel and Copper Plate Printers' Union of North America has never complained, nor does it now complain, of the custom of maintaining the usual friendly and diplomatic relations which exist among all civilized nations. No objection is made to friendly aid and correspondence between countries within the zone of reason and safety, but there should be a limit to the relations. While officials of the Government should seek to maintain this friendly intercourse, they should keep within the principle of protection to America first, and not do anything that would take one penny out of the pocket of our people.

The discussion of this question necessarily takes a wider range than the protection of the plate-printing industry in this country, and to treat it adequately would take more time, learning, and ability than we can command. Our opportunity for proper preparation is also limited. The proper conduct of Government officials with regard to supplying information to aliens is of paramount importance. The moral and legal doctrines involved in this question must be drawn from an analogous source, namely, the law of the United States and the opinions of the judges of our courts in passing upon the admission and exclusion of aliens. That the United States has the right to refuse, in time of peace, admission to aliens has been passed upon in several important decisions. In a case reported in 142 U. S., p. 629, the court stated the rule of international law on the subject, and the language of the court can well be applied to the question of officials assisting aliens in the establishment of enterprises which may damage American capital and American labor by being brought into unfair competition with cheap alien labor. The court in speaking upon this question used the following language:

It is a maxim of international law that every sovereign nation has the power as inherent, inalienable, and essential to self-preservation to forbid the entrance of foreigners within its dominion, or to admit them only in such cases and under such conditions as it may see fit to prescribe.

We call especial attention to the words "self-preservation" in the language of the court. The committee can well adopt the principle of self-preservation in passing upon the necessity and importance of reporting favorably to the House of Representatives H. R. 9820, the Carlin bill.

In a later case reported in 149 U. S., 711, which involved the power to exclude aliens, the court more emphatically stated the rule:

The right to exclude or expel aliens—any class of aliens—absolutely or upon certain conditions, in war or in peace, by an inherent and inalienable right of every sovereign and independent nation, essential to its independence and its welfare.

The question now before the court is whether the matter in which Congress has exercised this right * * * is consistent with the Constitution.

The opinion of the court in the case reported in 142 U. S. was followed in the case of 149 U. S., when the court made use of the words "essential to its safety, its independence, and its welfare." "Self-preservation" and "essential to its safety, its independence, and welfare" are identical in meaning, and the court should be followed by the executive officials of the Government when information is being given out which may injure American business of American labor.

The Supreme Court of the United States, in a Chinese case, used the following language, and we are quoting only that part of it which upholds the principles for which the plate printers are contending:

To preserve its independence, to give security against foreign aggression and encroachment, is the highest duty of every nation, and to attain these ends all other considerations are subordinate. It matters not in what form such aggression or encroachments come. * * * The Government possessing the powers which are to be exercised for the protection and security is clothed with authority to determine the case on which the powers shall be called forth; * * * the power is constantly exercised; its existence is involved in the right of self-preservation.

It appears that "self-preservation" is the guiding star of the court in passing upon this very important question, and it should not be lost sight of by the committee when passing upon the merits of this bill.

The court in speaking upon the question of the exclusion of foreigners went on to say that the right of exclusion was an incident of sovereignty. The complaint of the plate printers against the establishments of these private alien plants involves the same principle which moves the court in passing upon the admission and exclusion of aliens, namely, self-preservation and the safety, independence, and welfare, which is expressed in the language of the decision of the court, as reported in 149 U. S., 711, *supra*.

Conceding as we do that it is the policy of international law to receive diplomatic representatives of foreign Governments and that this policy should every apply if we wish to maintain our friendly relations abroad, we maintain, nevertheless, that this is not the question at issue in this case and that the Carlin bill does not attempt to alter this policy. The wrong complained of is the assistance given private individuals who come to our shores, go to the executive officials of the Government, and are given the time, knowledge, skill, and experience of our Government officials, which, when received, is used in the establishment in foreign countries of industries in competition with similar industries in this country. These competing industries employ cheap unskilled labor in opposition to our American labor. This is the real nature and gravamen of the case. The principle of protecting the American labor and American Government must be constantly kept in view in passing upon this question, and excluding cheap alien labor and any assistance by Government officials should not be tolerated.

There is no intention on the part of the plate printers to hamper the director in the discharge of his duty in extending courtesies to representatives of foreign governments. However, according to his letter, he is anxious to be relieved of the duty of receiving foreign diplomats in search of information upon the subject of plate printing in this country. It is not against the policy of extending the

usual courtesy for foreign diplomats that we are complaining; it is the abuse of that policy and the carrying of it to the degree complained of by the representatives of the international union in their statements before the Judiciary Committee on March 17 last.

THE DIRECTOR'S LETTER TO MR. SAMUEL GOMPERS, PRESIDENT OF THE
AMERICAN FEDERATION OF LABOR.

The director, in his letter to Mr. Samuel Gompers, president of the American Federation of Labor, dated October 13, 1913, in reply to a letter from Mr. Gompers to him, in regard to his activities in the establishment of foreign plate printing plants, endeavored to weaken the cause of the plate printers by stating that it was the officers of the American Bank Note Co., and not the plate printers, who were complaining in this matter.

For the information of the committee we desire to state that in so far as we are advised, it was the then chairman of the executive committee of the Plate Printers' Local No. 2 of Washington, D. C., who called the attention of Mr. Gompers to the activities of the director in this regard.

Mr. José Lopez Rodriguez came to the bureau with letter of introduction from the Parsons Trading Co., of New York City. Mr. Rodriguez was accompanied by an interpreter, and, according to the director's own statement, was in search of information upon the question of setting up and establishing a private printing plant in the island of Cuba. Mr. Rodriguez came to this country as a private citizen on a private business mission, and, so far as we are informed, was not introduced by the officials of his country; nor did he come as a representative of his own country. Mr. Rodriguez's mission was private, pure and simple, and this is a point which we desire to keep before the committee and before the public in the discussion of this question. Mr. Rodriguez must have told his plan to the director, because he employed Mr. George P. Foster, who was at one time chairman of the plate printers' executive committee of Local No. 2. of this city; Mr. Foster was not its president, as stated in the letter of Director Ralph. The director declined to give Mr. Rodriguez any information, and suggested that the only way the matter could be handled was to employ some one to advise him, and that Mr. Foster was the man. It is impossible for us to distinguish the difference between supplying the information to Mr. Rodriguez through Mr. Foster and giving it directly to Mr. Rodriguez himself. The director does not give his reason for this. He must, however, have thought it wrong, otherwise he would not have refused the information to the principal, Mr. Rodriguez. The point we are making is that what a man does through his agent he, in law, does himself, and it may not be out of place to state that Mr. Foster was at that time the representative of the plate printers, and he accepted the position at the salary of \$5,000 per year, which he had a perfectly legal right to do. We do not contend that we can pass a law preventing Government employees from going to foreign countries and accepting positions, but we do say that the Congress of the United States has the right to restrict the activities of its employees along reasonable lines.

This is what we are seeking to have done in the Carlin bill, and we contend further that upon proof of these unusual activities by Government employees they may be punished. Our contention is that the Government is entitled to the very best service its civil-service employees can give, and that a public official with his mind divided can not give his best service to the Government; that if his mind is divided between his work as a Government official and a private enterprise his efficiency is diminished.

There is no doubt that the Director of the Bureau of Engraving and Printing rendered material and active assistance in this country and in Cuba to Mr. Rodriguez in the establishment of his plate-printing plant. In the testimony of Mr. L. L. Queseda, plate printer, on page 23 of the hearings on H. R. 9820, Mr. Queseda said that he had received a copy of Cuban papers from Mr. Foster, of the Cuban plant, containing an article in regard to the same, and in which Mr. Rodriguez gave full credit to the director for his success in the establishment of his plant.

In a letter from the director to President Gompers, under date of October 31, 1912, a copy of which letter is attached to his statement to Chairman Webb, in re a hearing on H. R. 9820, it is stated that Mr. Rodriguez obtained his expert ink makers and several plate printers for his plant in Cuba from the American Bank Note Co., and that he also expended about \$75,000 in the purchase of his equipment in this country, and that he understood that he (Rodriguez) was purchasing all his supplies of paper, colors, engraving plates, dexterines, etc., in the United States. Of course, he was obliged to purchase all his material in this country, and Mr. Rodriguez deserves no credit for that; he was also obliged to get his plate printers from the United States, and why it was necessary to refer to this is hard to understand, because it shows how utterly dependent Mr. Rodriguez is upon the United States for supplies and for information; and this in itself is a good argument for the Carlin bill.

THE DIRECTOR IN HIS LETTER ADMITS THAT THE ERECTION OF FOREIGN PLANTS WILL AFFECT THE AMERICAN BANK NOTE CO.

It would seem, continued the director, in the same letter to Mr. Gompers, that these foreign plants will affect the American Bank Note Co. The entire business will not be lost to American industry for the reason that most of the supplies will be purchased here (United States). It should not be necessary to offer further proof of the fact that the industry of plate printing is to be injured by the establishment of this foreign plate printing plant, independent of the director's admission that the American Bank Note Co. will be affected. He might well have said injured and greatly damaged. This is a self evident fact which should be taken into consideration seriously by the committee in passing upon the merits of this bill. Admitting that the American Bank Note Co. will be injured, and this will mean injury to other bank-note companies in this country, who can now come forward whether he be an employer or employee, and defend the actions of the director, when his conduct will undoubtedly affect the big American plate printing plant, which has

been giving employment to men and women in this country for over half a century? If the American Bank Note Co. is to be affected, is it not a fact that the men and women employed in that institution and other American institutions will suffer correspondingly and all on account of the establishment of this plant in Cuba? The director endeavored to relieve this hard condition, which will necessarily follow the establishment of these private plate-printing plants on foreign soil, by saying that the entire business will not be lost because of the purchase of supplies in this country. This will vouchsafe very little comfort to the American plate printer, who according to the reasoning of the director will be out of a position. Besides, what guarantee have the American makers of colors and other plate printing material against foreign encroachments? The next suggestion may be to manufacture colors, papers, etc., in close proximity to these plants, because of the fact that they will be able to get cheaper labor, so it is a matter which reaches out and also interests the manufacturer of materials in this country.

The director's activities are not limited to his personal services; but according to the testimony of Mr. John Cluny and others, Mr. McNulty, a machinist in the Bureau of Engraving and Printing, spent two months in Habana working in the Cuban plant. Mr. McNulty is entitled to 30 days' leave each year. The director, in his letter to Chairman Webb, heretofore referred to, used the following language:

Messrs. McNulty and Crocker, mentioned in the report of the hearings, are not printers, and did not leave the service of the bureau. They applied for a leave of absence and used their leave in visiting Cuba, as they undoubtedly had a perfect right to do.

Mr. McNulty and Mr. Crocker are entitled to 30 days' leave each year, and they were, of course, entitled to spend that leave wherever they pleased, but the fact is that they did spend it in Cuba; and, according to witnesses, Mr. Crocker spent over two months there, which is 30 days more than his annual leave. The director does not say whether or not he had anything to do with Messrs. Crocker and McNulty going to Cuba; but the fact is, according to witnesses at the hearing on the bill, Mr. McNulty exceeded his leave 30 days, and we are bound to infer that it was by proper permission that he did so. We are entitled to be informed just how long Messrs. Crocker and McNulty were in Cuba and the conditions under which they accepted employment at the Cuban plant. Mr. Foster admits that the director secured him the position with Mr. Rodriguez; so that we have the director meeting Mr. Rodriguez in this country, recommending the appointment of a foreman in the plant and granting a leave of absence to Messrs. Crocker and McNulty, with permission to go to Cuba.

The director visited Cuba on two occasions, the last time being part of the months of February and March, 1915. Mr. John Cluny testified that Mr. Abe Miller, a plate printer, was in Cuba about 10 months and that Mr. Miller wanted to return to the bureau, but Mr. Foster said to him, "You can not go back to the bureau unless I say so."

The director, in his letter to the chairman of the committee, raises a personal question, and matters of a personal nature should have no

place in determining whether it is right or wrong for Government officials to give aid and assistance to aliens, if such assistance in the slightest degree injures our home industries. In his letter to Mr. Gompers, heretofore referred to, he admits that injury will accrue to the bank-note company through the establishment of these foreign plate-printing plants.

The attempt to make the question a personal one and not meeting the issue squarely should not be regarded seriously by the committee. Attention is called to the fact that at the hearing given the plate printers on the Carlin bill on March 17, 1916, matters of a personal nature were not introduced by the representatives of the plate printers, and a perusal of the hearings will show that they were carefully avoided. Our representatives argued against the mischief which was being done to labor and capital by the activities of these Government officials and by the installation of these foreign plants. Now, the director has introduced a personal question into the controversy and used the following language:

This bill was introduced, I believe, as a means by which those employees of the plate printers' union, who are inimical to me, could make attempts to discredit my work as the Director of the Bureau of Engraving and Printing, and as a proof of this I inclose a newspaper clipping quoting the remarks of William Holder, president of the Plate Printers' International Union, and an employee of the American Bank Note Co.

Now, we never have thought it necessary to make any personal reference to the director, because we have a good case upon the merits of the question and our arguments have been against the mischief and not against the man.

In the first place we do not admit the fact that the director has effected and put into practice these economies of which he speaks in his letter. He assumes without proof that he has effected these economies and wants you to take it for granted that this is a fact. We believe that these alleged economies will, upon investigation, show a waste rather than a saving; that the use of cheap materials, such as ink, etc., has impoverished the standards of our money, and resulted in a waste of time and money spent in running down the counterfeiter which could and should have been put into good materials. This would have raised the standard of the printing of our currency and protected it from counterfeiters. This is our position and the position of President Holder, and he has a right so to express himself in the interest of the people, the protection of his art, and the protection of the plate printers of the United States. Mr. Holder can have no personal feeling against the director, because he has never been employed in the bureau or brought into contact with him as an employee, so the charge that President Holder has any personal feeling against the director is erroneous. Why was it necessary for the director to refer to the fact that Mr. Holder was an employee of the American Bank Note Co., unless it were another effort to prejudice our case? If this were his object, we think he has failed. He realizes that hard conditions will follow the establishment of these plate-printing plants, but says the entire business will not be lost because of the purchase of supplies for such plants in this country. The promise of a partial loss only to the trade is of little comfort to the plate printers, who, according to the director's reasons, would suffer the consequence of the establishment of

these plants. What guarantee is vouchsafed to the manufacturers of colors and other plate-printing material, that after the establishment of these plants in foreign countries, they will not attempt to remove the manufacturing plants for such materials into foreign countries also? An effort has been made to weaken the bill by saying that it is in the interest of the American Bank Note Co. and not of the plate printers. This is not true; moreover, it is absurd on its face. Is not the fight of the American Bank Note Co. the fight of the plate printers of the United States? Can you injure one without inflicting harm upon the other? It is hardly necessary to refer to this part of the charge. The director said that the Cuban plant would injure the American Bank Note Co. Can any one explain how you can injure the American Bank Note Co. and save harmless the plate printers and other men and women who are making their living in that establishment? It is with such arguments as this that an attempt is being made to defeat our bill. Those attempting such a defeat must be in desperate straits for an argument when they charge the plate printers with not wishing "to kill the goose that lays the golden eggs."

THE DIRECTOR COMPLAINED AGAINST THE AMERICAN BANK NOTE CO. FOR
GUARDING HIS BUSINESS INTERESTS.

The director, in his letter to the chairman of the committee and in his communications to Mr. Gompers, confuses rendering assistance to the diplomatic representatives of foreign Government with assistance rendered to private establishments.

In his reply to Mr. Gompers's letter he says that notwithstanding the free and hearty cooperation of the bureau to improve the bank-note and engraving business in this country, there has not been the same cooperation on the part of the American Bank Note Co., and it has surrounded its business with strict regulations; in fact, going so far that the representatives of the bureau have been refused permission to inspect its plant.

THE MANAGEMENT OF THE AMERICAN BANK NOTE CO. EXHIBITS WON-
DERFUL GOOD SENSE IN GUARDING ITS PLANT.

The American Bank Note Co. showed wonderful good sense in refusing admission to the representatives of the bureau to inspect its plant, and it must be complimented upon its foresight and business judgment. What guaranty has the American Bank Note Co. that the officials of the bureau would not disclose the information gained from allowing them to inspect the inside operations of the bank-note company? Who knows that this information would not be given to Mr. Rodriguez and other private concerns of foreign countries? We wish that the director had guarded the working of the bureau with the same care and zeal and not have furnished information to the representatives of the Cuban concern, which he admits will injure American institutions. He said he gave the information to the superintendent of Mr. Rodriguez, but this is identically the same as giving it to Mr. Rodriguez himself: we can see no difference. From what the director says upon this question, we feel that the American Bank Note Co. exercised good judgment in refusing to throw open

its doors, and had the director been as discreet there would have been no necessity for this bill.

There is every reason why there should be only a reasonable inspection of American institutions, if they are going to suffer as is predicted by the director. We could give, and if necessary will give, instances where representative citizens were refused admittance to examine Government institutions in this country; for example, representative citizens were refused admittance to see the washing machine in the subtreasury in New York when they said their reason for wishing to inspect it was for educational purposes only. At another time an official of the Treasury Department complained that a number of citizens accompanied by a Member of Congress had gained admittance in the room of the Treasury Department where the notes were being washed, and he said if he had known the personnel of the delegation he would not have allowed them to be admitted by the watchman. It is hard to understand that citizens interested would be refused information and that our institutions would be open to inspection by aliens, whose only purpose is to get information and use it for the benefit of themselves and foreign institutions. When foreigners come to visit us only for the purpose of assisting themselves and preying upon our trade, it is time for officials of the United States to decide that this class of foreigners is dangerous to our welfare, for it is necessary to our life as a nation that our financial institutions be protected, as well as our social happiness and morals. With this principle in view, we have the right to pass laws that will protect us from those agencies which we consider detrimental to the interests of American plate printers. And since we must all agree that the state exists for men, not men for the state, the plate printers are right in their position, and it is through the Holder resolution and the Carlin bill that we expect to protect plate printing and kindred industries in this country, which will sooner or later suffer, if Government officials are allowed to give their time, knowledge, and skill during their employment, to the establishment and installation of private plants, which enter into competition with American labor and American capital.

THE DIRECTOR DISTINGUISHES BETWEEN INFORMATION FURNISHED TO PRIVATE INDIVIDUALS AND REPRESENTATIVES OF FOREIGN COUNTRIES.

In the director's letter to Mr. Gompers heretofore referred to he says that in 1908, shortly after he was appointed director, he wrote to R. Hoe & Co., in reply to a request from the Hoe Co. for information in the interest of the National Printing Works and the Bank of France in Paris, as follows:

It is the policy of this bureau to decline to give information regarding the technical processes or finished product for the reason that such information might, through inadvertence, be permitted to reach the possession of parties engaged in counterfeiting or other fraudulent purposes, and moreover it is not regarded to be proper that the Government should give information that might be used to the detriment of private American industries.

Mark the words, "used to the detriment of private American industries."

In the same letter to Mr. Gompers the director says:

Thus showing that the line was drawn clearly between information requested by private individuals and that requested by foreign Governments.

It appears from the director's position in 1908 that he distinguishes between giving information to private individuals and representatives of foreign Governments, as shown in his letter to R. Hoe & Co. He should have applied the same reasoning in regard to the Cuban plant, which is a private institution, when he furnished information to its representatives, Messrs. Rodriguez and Foster.

The position of the director in 1908 is identical with the stand of the international union for protection of the trade of plate printing and kindred industries in this country, as expressed in the Carlin bill. In the years 1911, 1912, 1913, 1914, and 1915, when he furnished information to the representatives of the Cuban plant, he differed widely from his reasoning when he refused information to R. Hoe & Co. We see no difference between the Cuban plant and the National Printing Works and Bank of France, and those who like to see distinctions backed up by differences must undoubtedly agree with the Plate Printers' International Union.

INFORMATION SUPPLIED TO DOMESTIC PLANTS NOT THE SAME AS INFORMATION GIVEN TO PRIVATE FOREIGN PLANTS.

The director, speaking with reference to furnishing information to domestic plants owned and operated within the United States, used the following language:

While it has been the policy to decline to furnish information to private individuals representing foreign countries, or who, as in the case of R. Hoe & Co., either to furnish machinery for plate printing in foreign countries, exactly the opposite policy has been with regard to the domestic bank-note companies.

The Holder resolution and the Carlin bill do not seek to prevent the director and other officials from furnishing to bona fide American institutions information in the interest and encouragement of the same. On the contrary, the resolution and the bill is in support of American institutions, and we find no fault with the director for aiding them, in so far as it is compatible with the public interest.

The director, in his letter to Chairman Webb, in an effort to score a point against the plate printers' union, argues that four of the five plate printers who worked in the Cuban establishment were obtained from a private concern and not from the bureau; that they were all members of the plate printers' union, and that the union itself had authority to either direct them not to go or to expel them from its ranks if they did go, and that he has not heard of any action of this sort. In answer to this part of the director's argument, it is submitted that when these men went to Cuba they were given to understand that the Cuban plant was to be to all intents and purposes operated the same as plate printing plants within the United States. The fact is that faith was broken with those men and the contract between them and the Cuban concern was not lived up to; that they were forced out of employment; that cheap labor was substituted; that in 1913 a resolution was adopted at the Chicago convention of the International Steel and Copper Plate Printers' Union of North America to prevent the superintendent of the Cuban plant from violating certain rules and regulations derogatory to trade unionism in America. Assuming, however, that these men did go to Cuba and were not expelled, the fact remains that the Cuban institution is conducted in violation of trade-union principles

and entered into competition against American institutions, which will undermine and destroy the plate printing industries in this country if these officials are allowed to continue.

The point is made that we are seeking to prevent Government employees from doing that which is vouchsafed and guaranteed to those working outside of the Government. The law can not forbid an American citizen, in time of peace, from expatriating himself. The union can, however, expel its members for violating the fundamental principles of organization, and two members of the plate printers' organization have been expelled because of their connection with the Cuban plant.

The attempt on the part of the director to convince the committee that Government employees are discriminated against in the Carlin bill is not a substantial argument. The Congress of the United States, the heads of the executive departments, have an inherent right to restrict the activities of its employees when their activities exceed the bounds of discretion, and the Government has on numerous occasions exercised that right. It appears that the activities of the officials of the Government of the United States in the matter of the erection of the Cuban plant were in excess of reasonable bounds, and that they should have been satisfied with having good positions and high salaries, and should do nothing in the slightest degree to injure American capital and American labor.

Why it was necessary for the director to refer to the fact that Mr. George P. Foster, the manager of the Cuban plant, was given a testimonial when he left this country for Cuba is, of course, more than we can comprehend. It is, however, unimportant for the purpose of our case. We do not think we are called upon to explain the reasons which prompted some of the plate printers of the bureau to contribute money to the presentation of this testimonial to Mr. Foster. This is a personal matter, and while the representatives of the international union have their opinion, they reserve the right not to explain how they feel about the presentation to Mr. Foster, and would rather not comment upon it at this time. Suffice it to say that the presentation to Mr. Foster was made some time in 1911 or 1912. He was at that time a member of the organization.

In a concluding paragraph of the director's communication he endeavors to make two points: First, that the Carlin bill was introduced as a means by which members of the plate printers' union, whom he claims are inimical to him, aimed to discredit his work as director of the bureau. In substantiation of the first of these points he incloses a clipping from a newspaper quoting the remarks of William Holder, president of the Plate Printers' International Union, who prepared and introduced the Holder resolution, adopted by the plate printers' international convention in July, 1915, in Philadelphia.

His second point is that the resolution failed to receive the approval of the convention of the American Federation of Labor at San Francisco in November, 1915.

Answering the first point as to the plate printers' opposition to him as director of the bureau in regard to his economies, and assuming, for the purpose of argument, that they are opposed to his economies and it was for that purpose that the resolution was introduced, we say that the plate printers have a right to their opinion that these

so-called economies are not economies and that an investigation of the bureau would show the truth of their statement; but this is not the point in question. The real charge against the director is that he gave his time, knowledge, skill, and experience and aided, out of all reasonable requirements, the establishment of a plate-printing plant in the island of Cuba; that he has not answered the charge in the testimony that Messrs. Rodriguez and Foster exercised an unusual influence in the Bureau of Engraving and Printing, to the extent of being able to secure positions for plate printers in the bureau; that, according to the testimony, Mr. Foster went so far as to say that Mr. Ralph would not take one Abe Miller back into the bureau unless he (Foster) said so. (See p. 14 of the hearing before Judiciary Committee on H. R. 9820, Serial 32, Friday, Mar. 17, 1916.)

Your attention is especially called to the letter of one Abe Miller, who worked in Cuba with Mr. Foster. Mr. Holder stated that Mr. Miller at the expiration of six months wanted to go back in the bureau, and that he (Miller) could not go back unless Foster said so. Mr. Rodriguez on one occasion said that he could have men reinstated. The nearest the director comes to answering the charge with respect to the reinstatement of employees who went to Cuba is the case cited by him of Patrick Rooney. Mr. Rooney left the bureau to go to Cuba. It should be noted that he forfeited all his rights of seniority earned by 25 years' service in the bureau, and when reinstated was placed at the foot of the list of chance printers. It is respectfully submitted that the case of Mr. Rooney is not favorable to the director, because Mr. Rooney was kept out for some time; besides, when he did go back to the bureau, he went to the foot of the chance list. This is only following a custom which has long obtained in the Bureau of Engraving and Printing and private plants, that when a man leaves his position he must go to the bottom of the list. The same thing would apply to Mr. Rooney or to anybody else if he had resigned from the bureau to go in business in the city of New York or elsewhere or to work at his trade outside of the bureau. When he returned he would be obliged to go to the bottom of the chance list, and unless this custom was followed it would be charged that favoritism had been shown, so the case of Mr. Rooney is not favorable to the director.

Replying further to the charge of a class of plate printers being inimical to the director, it is absurd to suppose that this was the cause which prompted the Holder resolution and the Carlin bill, because the Holder resolution would never have been adopted nor the Carlin bill introduced if the director had not by his actions driven the plate printers' international to a point where it was absolutely necessary to protect its trade in America. There is ample authority for the position of the international union for its introduction of the Carlin bill; for example, the Dominion of Canada requires that all Government printing shall be performed in Canada; besides we have cited analogous cases sustaining the principle of home protection of home industries. It is unreasonable to suppose that if the plate printers were working under favorable conditions in the Bureau of Engraving and Printing that any man or class of men would disturb the serenity and ideal conditions which are reported by the director to exist in the bureau. The employees of the Bureau

of Engraving and Printing are not different from other men, and if they were enjoying favorable working conditions they would be glad of it and there would be no protest on their part. Again, the Holder resolution and the Carlin bill are the outgrowth of dissatisfaction and discontent and to prevent the activities of the director in assisting private plants. Besides, the Holder resolution was indorsed and ratified by Local No. 2 of the Plate Printers' Union, who compose the membership of that local, all of whom, with a few exceptions, are employees in the Bureau of Engraving and Printing.

Answering the second point made by the director, that the so-called Holder resolution failed to receive the approval of the American Federation of Labor in San Francisco, it is respectfully submitted that this does not state a fact. The Holder resolution was introduced at the convention of the American Federation of Labor by John H. Ferguson, president of the Maryland State and District of Columbia Federation of Labor, and delegate from the Baltimore Federation of Labor to that convention, and the merits of the resolution was argued on the floor of the convention by Delegate Ferguson; Delegate Ryan, plate printer, representing the Maryland State and District of Columbia Federation of Labor; and Delegate John J. Deviny, representing the International Steel and Copper Plate Printers' Union of North America. The resolution was referred to the committee on executive council's report, although this resolution had never been called to the attention of the American Federation of Labor before the convention met. The facts are as follows:

The committee on executive council's report was divided upon this question, and when it was referred to the convention the only members of the committee speaking against the resolution were Delegate McCullough and Andrew Furuseth, and after an explanation of the provisions of the resolution by Messrs Ferguson, Ryan, and Deviny, Delegate George L. Berry, of the International Pressmen's Union; Delegate Miller, of the American Federation of Musicians, members of the committee, opposed the position taken by the committee on executive council's report. Three other members of the committee that considered the resolution also differed from Delegates McCullough and Furuseth, and the report of the committee was voted down. Delegates Ferguson, Ryan, and Deviny then agreed with Delegate Berry, of the pressmen's union, that the subject matter of the resolution be referred to the executive council of the American Federation of Labor, and, upon a motion of Delegate Berry, this action was taken by the convention. Only four delegates in that convention voted against the reference. If this were not a refusal to support the committee on executive council and a tacit indorsement of the resolution, we are wrong; but in support of our position that the resolution was tacitly indorsed by the convention we invite your attention to the language of Chairman McCullough and Secretary Furuseth, of the committee, speaking against the reference, which language appears in a verbatim report of the official stenographer of the convention, which is printed in the Plate Printer for December 22, 1915. Delegate Furuseth said in part:

What are you doing here? Sending to the executive council, plainly with instructions, that it is to do something favorable with this proposition—

Delegate Furuseth meaning and intending to say to the executive council that it was obliged to indorse this resolution. Delegate Furuseth said further:

I presume the executive council of the American Federation of Labor will, as the convention has tacitly adopted a certain principle, feel bound to carry out that principle.

Delegate McCullough, speaking to the resolution and against the reference, said:

And I tell you, my brothers, it is my firm conviction that the tacit or tentative or implied indorsement of the resolution is a mistake.

This should be sufficient to disprove the statement of the director that it did not receive the favorable approval of the convention. After the adjournment of the convention on that day Delegates Ferguson, Ryan, and Deviny were congratulated by nearly every delegate in the hall upon their success in winning a fight for organized labor, which was in keeping with the principles for which the American Federation of Labor stands.

Attention of the committee is called to the following cases:

No. 386, October term, 1915. William H. Heim, Cranford Co., and Flinn-O'Rourke Co. (Inc.), plaintiffs in error, *v.* Edward E. McCall, Milo R. Maltbie, J. Sargeant Cram, George V. S. Williams, and Robert C. Woods, as members of and constituting the public-service commission for the first district of the State of New York.

No. 388, October term, 1915. Clarence A. Crane, plaintiff in error, *v.* The People of the State of New York.

The plaintiffs in error appealed from the decision of the Court of Appeals of the State of New York, upholding section 14 of the alien labor law, act of March 11, 1915, chapter 51, Laws of New York, which prohibits the employment of alien labor on public work by the State or municipality, on persons contracting with the State.

The questions raised by the plaintiffs in error were to the effect, that the exclusions of aliens upon public works deprived them of their liberty without due process of law and was in conflict with the treaties between the United States and foreign nations. The decision is raised principally upon the theory that the State, as proprietor, has the power to control the construction of its own works and the distribution of its own moneys. The law is upheld as a legitimate exercise of the police power of the State.

Construing the provisions of the treaty of 1871, the court of appeals decided that it "does not limit the power of the State, as a proprietor, to control the construction of its own works and the distribution of its own moneys."

Mr. Justice McKenna, who delivered the opinion of the Supreme Court of the United States, concluded as follows:

The conclusion is inevitable, we think, from the principles we have announced. We need not follow counsel in dissertations upon the treaty-making power on the obligations of treaties when made. The present case is concerned with construction, not power; and we have precedence to guide construction. The treaty with Italy was considered with *Patsone v. Pennsylvania* (232 U. S., 138). * * * From the premises we conclude that the labor law of New York and its threatened enforcement does not violate the fourteenth amendment on the right of plaintiffs in error thereunder, nor under the provisions of the treaty with Italy.

The judgment of the court of appeals was affirmed.

THE ALIEN CONTRACT-LABOR LAW.

The Carlin bill is identical in principle with another law. There is no difference between the alien contract-labor law which excludes alien contract laborers and Government officials assisting alien capitalists for the purpose of entering into competition with American capital and American labor.

Resolution No. 2, introduced by Delegates Owen Miller, E. H. Slissman, and D. A. Carey, of the American Federation of Musicians, and resolution No. 50, introduced by Delegates J. E. McClory, J. A. Barnes, and Samuel Tobin, of the bridge and structural ironworkers, passed at the convention of the American Federation of Labor in 1915, at San Francisco, Cal., are identical in principle with the Holder resolution, passed at the convention of the International Steel and Copper Plate Printers of North America, at Philadelphia in 1915.

These three resolutions are incorporated in this statement for the consideration of the committee:

HOLDER RESOLUTION.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he hereby is, requested to cause such rules and regulations to be adopted and placed in force for the regulation of the Bureau of Engraving and Printing as will effectually forbid and prevent the officials and employees of said bureau from giving their time, skill, knowledge, experience, or services upon any basis to any foreign Government or to any individual, firm, or corporation whatsoever, domestic or foreign, for the purpose of assisting any such Government, individual, firm, or corporation in the establishment or carrying on of any printing or engraving business or of any business whatsoever which is or may be directly or indirectly competitive with American industry, or which way directly or indirectly deprive American labor of its employment and means of livelihood.

RESOLUTION NO. 2.

Whereas the civilian musicians of the United States of America have for the past 25 years made every possible effort to secure legislation which would absolutely prohibit the enlisted musicians of the Army and Navy of the United States from entering into the competitive field, and more particularly the Marine Band, of Washington, D. C.; and

Whereas in this effort the civilians were supported by the National League of Musicians, which has since developed into the American Federation of Musicians, affiliated with the American Federation of Labor, and after 25 years of agitation a bill, approved May 11, 1908, was passed by Congress prohibiting enlisted musicians in either the Army or Navy from competing with civilian musicians; and

Whereas when this bill was approved and about to be enforced, the commander of the Marine Corps did not apply it to the Marine Band of Washington, D. C.; and

Whereas this being a question of law, was referred to the then Attorney General of the United States—Charles Bonaparte—who in June, 1908, took the matter under advisement and did not come to a decision until the day after the general election, November of that year, and then he made the astounding decision that the Marine Band of Washington, D. C., was not a part of the Naval Service of the United States, which decision resulted in this band, which was really the objective point to be reached by the law, being allowed to continue in the competition with the civilian musicians of the country; and

Whereas recognizing the absurdity of such a decision, the American Federation of Musicians, through its proper officers, made an appeal to the President of

the United States to have the matter again referred to the Law Department of the United States, with a view of exactly defining the relationship of the Marine Band of Washington, D. C., to the United States Government, which decision was by the President referred to the Attorney General, and to which no answer has to this day been received; and

Whereas to forever settle this question, a joint bill was introduced in the House and Senate, which, if passed, will forever end the competition of enlisted musicians in the United States service in any capacity with civilians, to engage in any pursuit, business, or performance in civil life for emolument, hire, or otherwise, when the same shall interfere with the customary employment of local civilians in their respective arts, trades, or professions: Therefore be it

Resolved, That this, the thirty-fifth annual convention of the American Federation of Labor, hereby records and declares itself in favor of the said bill, as appended to this resolution, prohibiting the said enlisted musicians from competing with civilians for civil employment, and instructs its legislative committee to do everything in its legitimate power to have the said proposed legislation enacted.

JOINT RESOLUTION IN REFERENCE TO THE EMPLOYMENT OF ENLISTED MEN IN COMPETITION WITH LOCAL CIVILIANS.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That hereafter no enlisted man in the service of the United States—the Army, Navy, and Marine Corps, respectively—whether a noncommissioned officer, musician, or private, shall be detailed, ordered, or permitted to leave his post to engage in any pursuit, business, or performance in civil life, for emolument, hire, or otherwise, when the same shall interfere with the customary employment and regular engagement of local civilians in their respective arts, trades, or professions.

Adopted.

RESOLUTION NO. 50.

Whereas each year the Government of the United States expends large sums of money in the building and maintaining of Army and naval stations in the United States and its various Territorial possessions; and

Whereas by an investigation it has been found that nearly all of the labor employed on the construction work is of alien or noncitizen character and to the detriment of the citizen workmen of these United States who in many if not nearly all instances, have been discriminated against by the contractors and their agents who are engaged in supervising this work: Therefore be it

Resolved, That the delegates of this Thirty-fifth Annual Convention of the American Federation of Labor go on record as being opposed to such procedure, and herewith protest against the discrimination as has and is now being practiced against American citizen labor in the building, equipping, and maintaining of our Army and Navy stations within the United States and its Territorial possessions; and be it further

Resolved, That this convention instruct its secretary to communicate this protest to the Secretary of the United States Navy, Hon. Josephus Daniels; to the Secretary of War, Hon. Lindley M. Garrison; to the Secretary of Labor, Hon. William B. Wilson, calling their attention to these facts and requesting them to use their good offices to see that the inalienable rights of the American workmen are safeguarded and that they be given the right to work on all construction work being done for the United States Government either directly or indirectly being constructed for the United States Government by day labor or through the use of contract labor; be it further

Resolved, That this American Federation of Labor have its legislative committee draw up a petition to Congress asking that august body of lawmakers to enact a law that will prohibit the employment of alien, noncitizen, and oriental labor on any Government work in preference to citizen labor of these United States and their Territorial possessions.

Adopted.

Your attention is further called to the action of the American Federation of Labor in regard to resolutions 2 and 50, which were introduced and adopted at the American Federation of Labor convention; notably the resolution for the protection of civilian musicians for the purpose of preventing competition by the Marine Band and the McClory resolution. Your attention is further called in support of our position to a letter from President Gompers, which is quoted in the director's letter of October 31, 1913, to President Gompers. It appears from the letter that President Gompers had written Mr. Ralph about this same question in 1913. The letter speaks for itself and is incorporated in the letter of the director of March 18, 1916, to the chairman of the Committee on the Judiciary of the House of Representatives.

In the case of Messrs. McNulty and Crocker, who are not printers and did not leave the service, but applied for a leave of absence, which they used in visiting Cuba, the director does not say just how long Messrs. McNulty and Crocker were in Cuba, how they came to go there, how long they were there, and if he knew whether or not they had a contract with Mr. Rodriguez. We think it would be proper to call Messrs. McNulty and Crocker and question them in regard to their connection with the Cuban plant, since they were mentioned in the hearing.

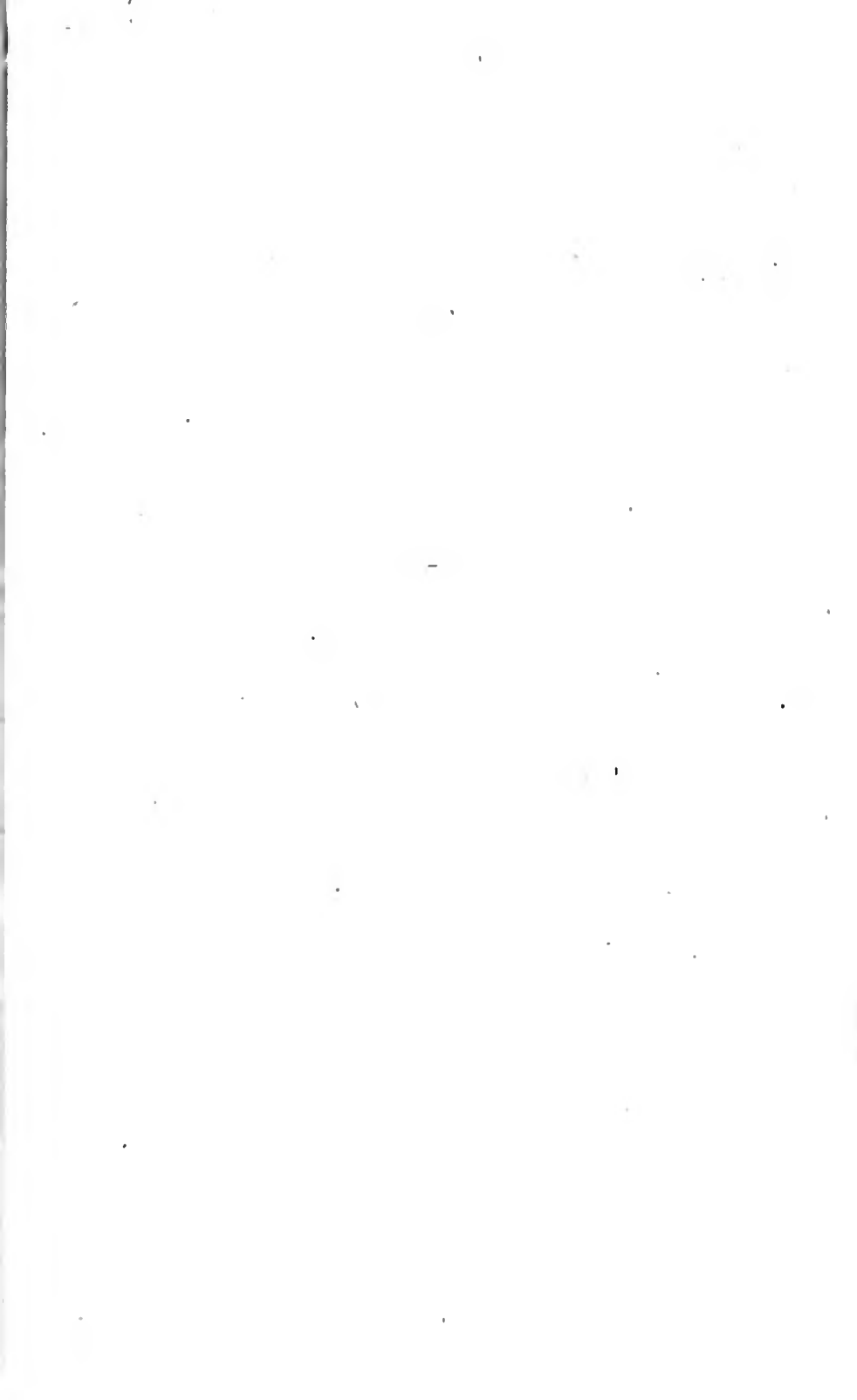
It is submitted that the director has not answered the testimony of Walter Melbrook as to the plant in Chile, and what Mr. Melbrook said Mr. Foster told him in regard to the Chilean plant; that he has not explained in his letter to Chairman Webb that he (according to the testimony of Mr. Melbrook) acted as a sort of general supervisor of the Cuban plant. He has not answered the testimony of Mr. John Cluney that he practically supervised the plant, took off his coat and collar, and went around with his sleeves rolled up like one of the workmen and gave suggestions as to changes on the presses; that rollers that had been used in the bureau were sent to Cuba; that Mr. Foster said they were made out of disused blankets from the Bureau of Engraving and Printing, a fact which could be proved by the color of the green ink in them.

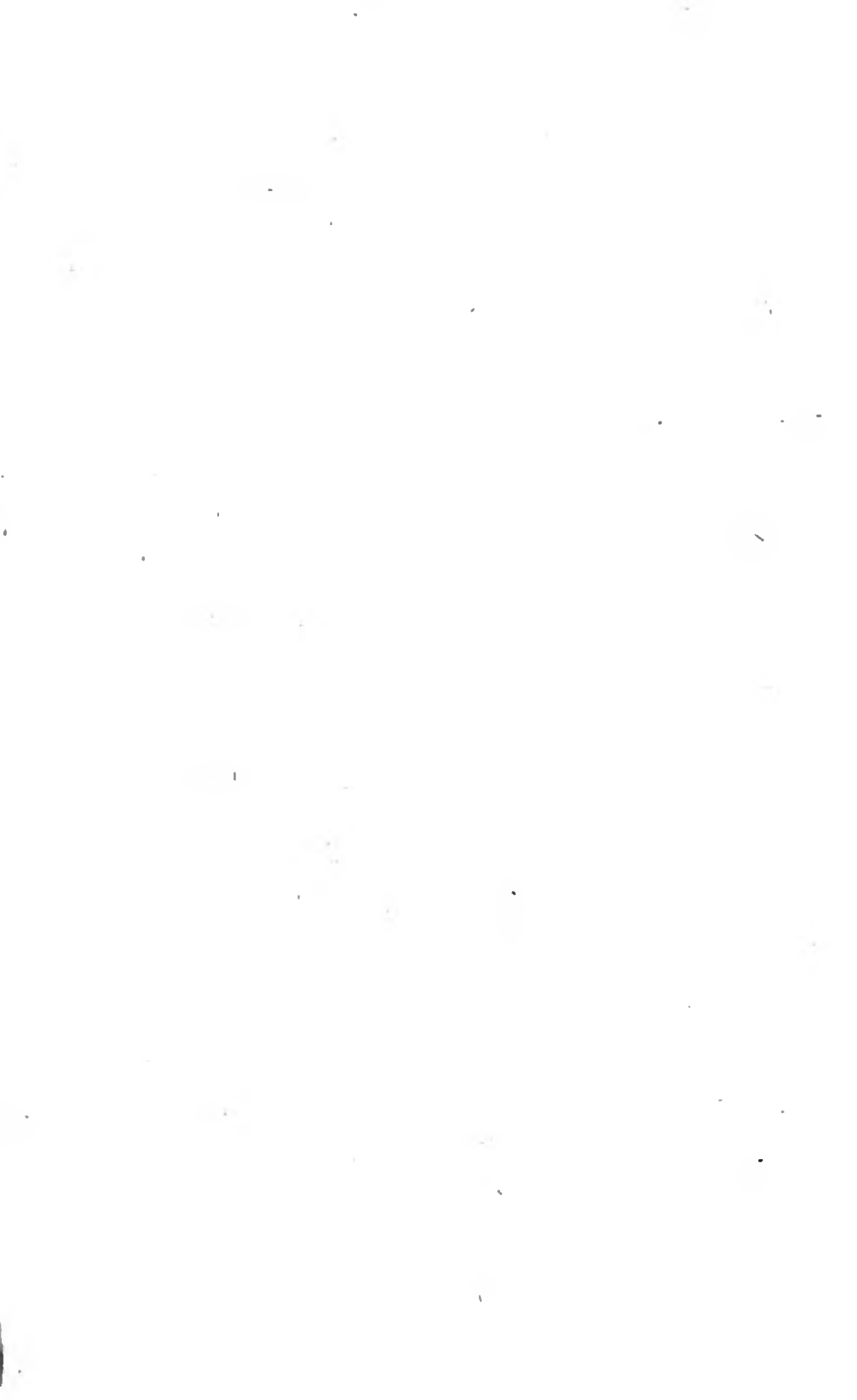
The attention of the committee is respectfully invited to the statements of Messrs. John Cluney, of New York; William Holder, of New York; Walter Melbrook, of New York; Martin J. Holmes, of New York; L. L. Quesada, of New York; and P. J. Ryan, of Washington.

Having fully answered the letter of the director of the bureau, in reply to a communication from the honorable chairman of the Judiciary Committee of the House of Representatives, we ask that the committee carefully consider our answer, the merits of the bill, and that the same be reported favorably from the committee to the House.

WILLIAM G. HOLDER,
President of the International Steel and Copper Plate Printers'
Union of North America.

P. J. RYAN,
Member of the Executive Committee of the Plate Printers' Local
No. 2, Washington, D. C.





**LIMITING ACTIVITY OF CERTAIN OFFICERS AND
EMPLOYEES OF THE GOVERNMENT**

HEARING

BEFORE THE

COMMITTEE ON THE JUDICIARY

HOUSE OF REPRESENTATIVES

SIXTY-FOURTH CONGRESS

FIRST SESSION

ON

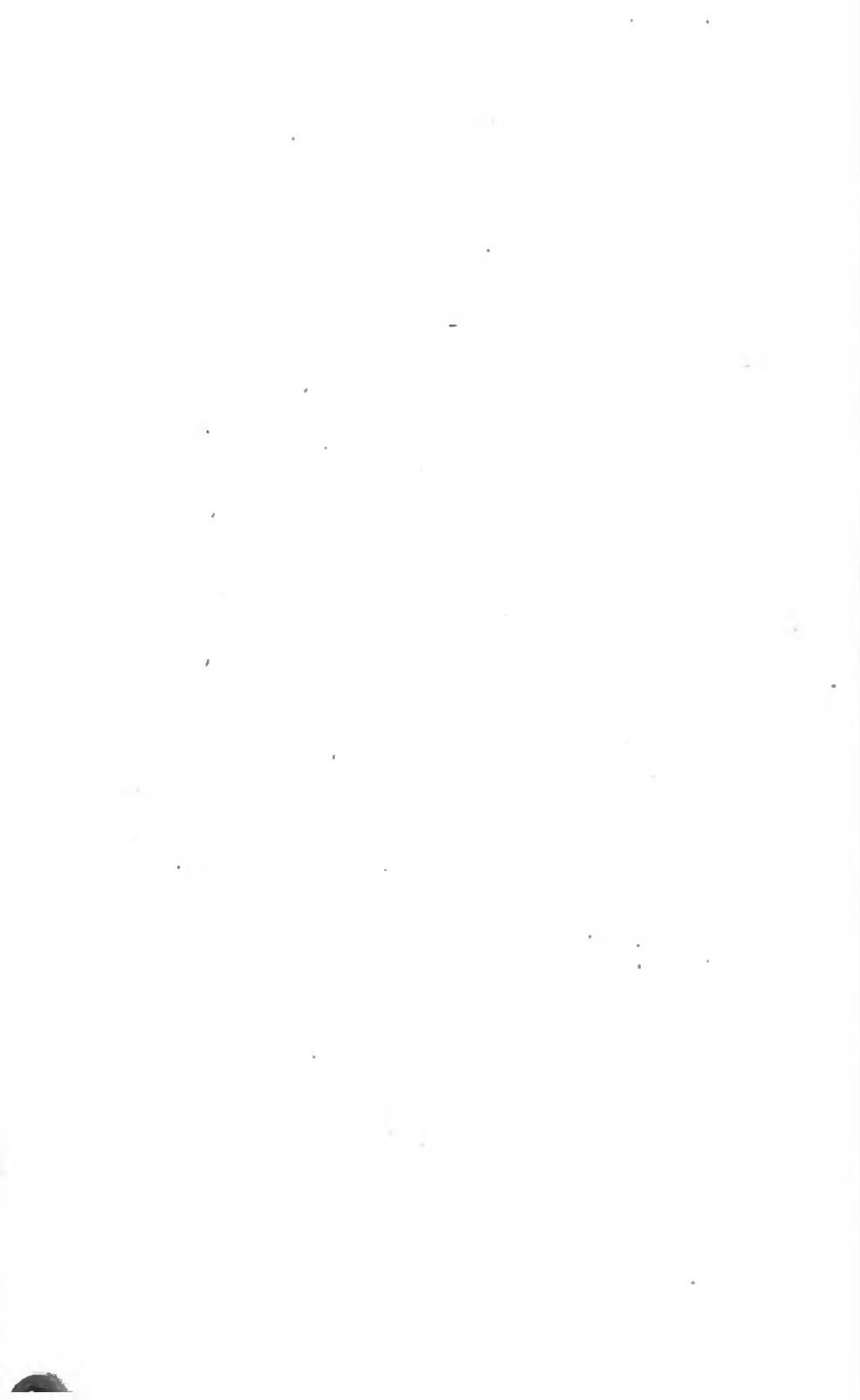
H. R. 9820

Serial 32—Parts 1 and 2

SUPPLEMENT

APRIL 25 AND 26, 1916





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LIMITING ACTIVITIES OF CERTAIN OFFICERS AND EMPLOYEES OF THE GOVERNMENT.

LA MODERNA POESIA,
Habana, Cuba, April 26, 1916.

Hon. E. Y. WEBB,
*Chairman Committee on the Judiciary,
House of Representatives, Washington, D. C.*

DEAR SIR: Having noticed in the Washington papers where your committee held a hearing on House bill No. 9820, and at which hearing appeared several members of the Plate Printers' International Union, and having a copy of the hearings before me, I desire to correct several misstatements made by these men and to present to you the facts in connection with the question for your consideration.

Perhaps it might be a good idea to give you a short pen sketch of the manner in which this plant in Cuba was organized and developed. In the year 1911 I was employed as a plate printer in the Bureau of Engraving and Printing, having entered there in 1894 as an apprentice to learn the trade of plate printing, resigning my position as page in the Fifty-first Congress, under Speaker Crisp, to go to the bureau.

At that time, 1911, I was a leading spirit in the work of the Plate Printers' Union, local and international, being chairman of the executive board, which office is to represent the 800 printers in the bureau before the director and officials in all questions affecting the trade, such as wages, hours of labor, working conditions, etc.

Naturally this position placed me in direct contact in a business way almost daily with Director Ralph, and this developed a warm personal friendship between us, on my part for the many traits in his character which I admired and respected, notwithstanding the fact that we often disagreed on questions of policy, on matters pertaining to the trade, and interests of the men.

As you well know, in the Government service there is very little chance for material promotion. So that, when Mr. Ralph informed me that there was to be a plate-printing plant started in Cuba, and asked me if I would consider an offer to take charge, I answered yes, if the salary was large enough. He replied "that is for you to arrange the details, as I have only met the parties once." Afterwards I met Mr. Lopez, through Mr. Ralph, and we came to terms at a salary of \$5,000 a year.

At the next meeting of the Plate Printers Union I got up on the floor and resigned my position as an official, and explained fully and in detail the reasons why I could not refuse an offer that was exactly double my salary. Just before my departure for Cuba, the members of the union gave me a banquet and presented me with a gold watch, chain, and diamond locket, as a testimonial of esteem.

I left Washington, as I thought, with the best wishes of everyone. I engaged four plate printers—Melbrook, Cluney, Holmes, and Rooney—all employees of the American Bank Note Co., except Rooney, who was an old friend of mine and an employee of the bureau, but who was desirous of making a change. As I had no authority from Mr. Lopez to offer these men contracts (not even having one myself), I assured them that their pay would be \$10 a day, and that I would do all in my power to protect them in every particular, so as to secure them steady employment. As these three men from the American Bank Note Co. had been working for that concern at from \$4 to \$6 a day, this was an opportunity which they immediately grasped. I had lots of applications for positions, and did not have to plead with them to accept.

These men started to work for me in November, 1911, and had steady employment until October, 1914. They were treated first class, everything was done to make their work light, all of the heavy work around the presses being performed by Cubans; and the last Christmas they were here Mr. Lopez presented each man with a check for \$100, and gave them a Christmas supper at which he presided. When these men left Cuba, they all had saved between \$2,500 to \$3,000, according to their own statements, showing that their stay in Cuba was a profitable one, considering that I loaned Melbrook and Cluney \$50 each so that they could enter Cuba, as the law requires each person to have \$30.

In 1914, on account of the European war and for other causes, our orders fell off considerably, and having a large amount of stock of printed impressions on hand and no more room in which to place them, Mr. Lopez decided to close down the printing presses for two or three months; and instructed me to notify the men. Before doing so, I conducted all of the printers to the two upper floors of the plant, and showed them the stock rooms, so they could see for themselves, and as an evidence of good faith, went over our books with them, also the orders from the Government. The congestion of the work was so evident that they did not see any argument against stopping the presses.

Mr. Lopez advised the men to go back to the States and secure work if possible, and when he needed them he would let them know. He suggested that perhaps the Bureau of Engraving and Printing needed men. All left, including Mr. Cruzan, a plate printer who had taken Rooney's place, he not being able to stand the climate. Cruzan was an old friend of mine. We had served our apprenticeship together in the bureau. At the time of his appointment he was working for Quayle & Son, Albany, N. Y., not having worked in the bureau for a number of years. Please note that none of these men had any connection at all with the United States Government.

During the three years that the men were working in Cuba, there were times when we were rushed to fill our orders, compelling us to work overtime and at night. As Mr. Lopez did not wish to send for any more men, because during that time three had come down, worked for a short time and resigned, namely, Rooney, Hipchen, and Miller. As we always paid their steamer from New York to Habana, this was quite an expense, especially when they only stayed a short while. Mr. Lopez suggested to the men that an apprentice be appointed to learn the trade, he to fill in on the press when there was an idle press. This was agreed to without a protest. Several months later another boy was appointed. The men did not relish this, but finally agreed. This happened in 1913, and they continued working with the two Cuban apprentices until October, 1914. These apprentices were taught by Mr. Cruzan, the other men taking no interest in them.

The presses remained idle for two months or over. We then received an order for a special stamp and Mr. Lopez instructed me to send for one man, naming Mr. Cruzan, stating that as he had helped the firm by teaching the boys, he should have the preference, to which I fully and heartily agreed. Mr. Cruzan arrived and started to work with the two apprentices, the other press remaining idle for some months. Then the orders increased and one more boy was placed on the press by Mr. Lopez, and Mr. Cruzan was appointed foreman at a fixed salary. Mr. Lopez was perfectly satisfied with the arrangement, and informed me that he intended to continue.

Shortly afterwards, in answer to a letter from Cluney, I informed him of Mr. Lopez's decision and advised him to seek work elsewhere, offering to do all in my power to help him secure employment. Some time later I received a letter from a firm in New York, Stern Bros., to whom Cluney had made application for a position as plate printer, naming me as his former employer for reference. I immediately wrote a strong letter of recommendation to the firm, so that he would be able to secure employment. I never received any word from the other two men, Melbrook and Holmes.

The force I have to-day in Habana is, as I named above, Mr. Cruzan and three apprentices, and one press idle because of lack of orders. So I fail to see where the plant has hurt American industries a particle. It gives work to two Americans, Cruzan and myself, at excellent wages, and has taken away work from three. The amusing part of the affair is that Melbrook, Cluney, and Holmes did not seem to find out that they were hurting American industries until their salaries stopped, and I am confident that they would be working in Cuba to-day, if I had positions for them.

It might be well if the bill is passed to make it retroactive, as Mr. Nelson so aptly remarked on page 7, hearings.

Naturally during this time I corresponded regularly with Mr. Ralph, informing him of my progress, the difficulty I was having in learning the Spanish language, items about the plant, etc.; in fact, our letters were the kind of letters that would pass between two friends engaged in similar lines of business. I suppose that this is the information that the witnesses complain about. They do not seem to take into account that I had worked in the bureau for 17 years, and was a practical man in all branches of this business, as my record will show, and was trained for such work as I had to do in Cuba.

The Cuban Government from the start of the work took a great interest in the plant, and President Gomez arranged with his cabinet to attend the formal opening, which took place in March, 1912.

I sent Mr. Ralph an invitation to come down to see it, as he had informed me that he was going on a short vacation. The Cubans, like all of the Latin races, are very effusive and the opening was quite an affair. Speeches were made by everyone, and

Mr. Ralph made one of a congratulatory nature. There was a buffet lunch served and, as is the custom here, wine was also served. During his stay in Cuba, about one week, Mr. Ralph never assumed an air of ownership, etc., about the plant. He naturally noticed that in some respects, my way of running the machines was a trifle different from that of the bureau, and he discussed points with the men and myself, a perfectly natural thing for a man who is in the same line of business to do.

I want to state most decidedly and emphatically that Mr. Ralph has not one penny interest in the plant, and also that he is not connected in any manner, shape, or form with it. About the presents of cigars, hats, etc., as this is the land of choice cigars, all tourists are presented with them. I gave Mr. Ralph some, the same as I do to all my friends when they come to visit me from the States. Everyone carries cigars home from Habana. This applies also to Panama hats.

The charge made by Cluney, on page 16 of the hearings, that we were using rollers made out of worn-out blankets from the bureau, is an unqualified falsehood. No materials of any kind were ever received from the bureau. All of our materials were ordered from two firms in New York—Reira, Toro & Van Twistern, 82 Beaver Street; and the Parsons Trading Co., Whitehall Building. Their books will show all of our purchases. If I had wished to use old worn-out blankets for rollers, I had hundreds of yards on hand myself, discarded from my own presses. There was no need for me going to the expense of sending to the United States for them.

The charge made by Ryan on page 5, where he quotes me as saying, "Now I will get you your positions back in the bureau," is false and falls of its own weight. Because Cluney, Melbrook, and Holmes never worked for the United States Government. It would have been necessary for them to take the civil-service examination, pass, then be placed on the eligible list sufficiently high before they could be drawn, if the Government needed men. How could there be any arrangement between Mr. Ralph and myself about having men reinstalled that never were employees of the Government? What I did say was that I would do all I could to help them to secure other positions, which I did in the case of Cluney when Stern Bros. wrote to me.

Holmes, on page 21, states that our perforators were built by R. Hoe & Co., New York, designed after the bureau machines. The fact is, they were bought from Burton & Co., Chicago, and are that firm's regular stock machine, and can be bought by anyone.

Ryan states also, on page 7, that our firm sent agents up to New York to underbid them on some work. I wish to state that we have never submitted a bid on any job of any character outside of Cuban work. All of the work executed by us has been the revenue, postage, and guarantee stamps for the Cuban Government. We did not bid on the last issue of Cuban Government bonds, this work going to the American Bank Note Co. If we intend to bid on other work, naturally we would start at home.

When we secured the contract for printing the Cuban postage stamps in 1914, President Menocal, Secretary of the Treasury Cancio, and the postmaster general inspected the plant. They were pleased with it, and the President told me that it was a step forward in the development in the island.

We have at present permanently assigned here five Government inspectors, three from the post office department and two from the treasury. So, while it is a private contract it is under the Government supervision.

As for McNulty and Crocker helping me with the gumming machines. Yes, that is so. They secured leave from the bureau and I paid them a salary and expenses while here. Both of them were glad to assist me, as an old friend and fellow-employee, besides securing a pleasant trip to another country for a slight amount of work. All of which, I believe, is within their rights.

I wish also to call your attention to the fact that we purchase all of our materials in the United States, such as paper, ink, gum, blankets; in fact, everything in the way of supplies comes from the States. So the only persons that have lost anything by this contract coming to Cuba are the three men that appeared before your committee.

Mr. Lopez, the owner of the plant, is a man of large and varied interests, one of the smallest of which is this plant. He is proud of it on account of the prestige it gives him, due to the class of work it executes. But, I am sure, he has no ambitions for it outside of Cuba.

Personally, I have not the slightest objection to the bill passing, but I fail to see where it will stop the installation of plants of this character in other countries, if the Governments of those countries desire it, and are willing to pay for it. If they can not secure plate printers, they can employ engravers in this country, or they can go to Europe and secure capable men.

If you wish any further information on the plant here in Cuba, I will be glad to furnish it; or if you intend to hold further hearings, and wish me to appear, I will do so, provided you give me enough notice in advance to arrange my affairs here, and time enough to reach Washington.

Thanking you in advance, I remain,
Very truly, yours,

GEORGE P. FOSTER,
Manager La Moderna Poesia.

WASHINGTON, D. C., April 27, 1916.

HON. EDWIN T. WEBB,
Chairman Committee on the Judiciary.

DEAR SIR: I have read Serial 32 "For the purpose of limiting the activities of certain officers and employees of the Government," and beg to submit an affidavit of my connection with this matter.

Sincerely, yours,

FREDERICK J. CROCKER,
3141 Twenty-fourth Street NE.

Frederick J. Crocker, being first duly sworn according to law, deposes and says that in the spring of 1912, at the urgent request of Mr. George P. Foster, manager of the printing establishment of Mr. Jose Lopez Rodriguez, in Habana, Cuba, he spent about a month in assisting them in getting two stamp gumming machines in operation; that in order to go to Cuba, he first secured leave of absence from the Bureau of Engraving and Printing, where he is employed; that the opportunity of visiting Cuba strongly appealed to him, and that during his stay in Cuba he was paid a fair rate of compensation, including his board while there, and his expenses to and from the island; that his treatment during his stay in Cuba was all that could be desired.

FREDERICK J. CROCKER.

DISTRICT OF COLUMBIA, ss:

Sworn to and subscribed before me this 25th day of April, A. D. 1916.

WM. A. DUVAL, *Notary Public.*

My commission expires 1919.

COMMITTEE ON THE JUDICIARY,
HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., May 8, 1916.

MR. STERRETT E. McNULTY,
Bureau of Engraving and Printing, Washington, D. C.

DEAR SIR: I have received your favor inclosing affidavit with reference to your work in Cuba and with reference to Mr. Foster and beg to say that I will file same with the committee for its consideration.

Very truly, yours,

E. Y. WEBB, *Chairman.*

DISTRICT OF COLUMBIA, ss:

Sterrett E. McNulty, being duly sworn according to law, deposes and says that early in the spring of 1912 he spent about six weeks in Habana, Cuba, working at the plant of Mr. Jose Lopez Rodriguez, who had a short time before installed a plate-printing establishment there; that George P. Foster, manager of this plant, requested him to come down to Cuba and assist them in getting some of the machinery started up; that he was very glad of the opportunity of this trip, and secured leave of absence from the Bureau of Engraving and Printing, where he was then and is still employed, in order to permit him to go; that he left Washington on the evening of March 29, 1912, and returned on the 20th of May following; that he took nothing with him on this trip aside from some wearing apparel; that he had no complaint whatever to offer as to his treatment while in Cuba, as he received a fair compensation for his

services, and also his traveling expenses to and from the island; that he had an opportunity to observe the mechanical equipment of the Cuban plant, and from his experience in such matters he is of the opinion that Mr. Lopez must have expended at least \$150,000 for his equipment, purchasing all of it from American manufacturers.

Subscribed to and sworn to before me, a notary public for the District of Columbia.

I hereby certify that the above is a true and faithful copy of the original of the affidavit referred to in the letter under date of May 6, 1916, from Hon. Edwin Y. Webb, chairman House Committee on the Judiciary, to me, a copy of which letter is attached hereto.

STERRETT E. McNULTY.

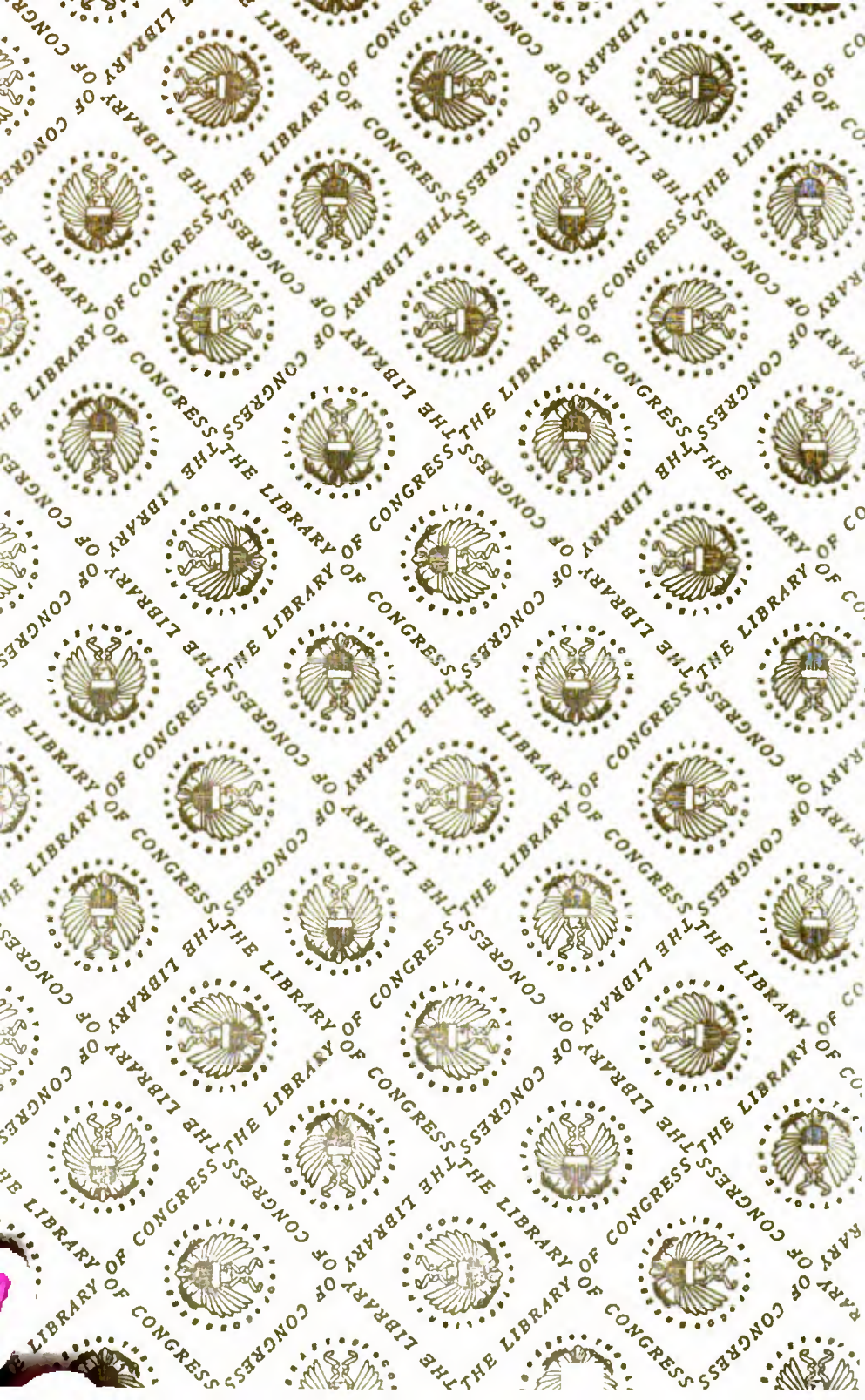
Sworn to before me this 9th day of September, 1916.

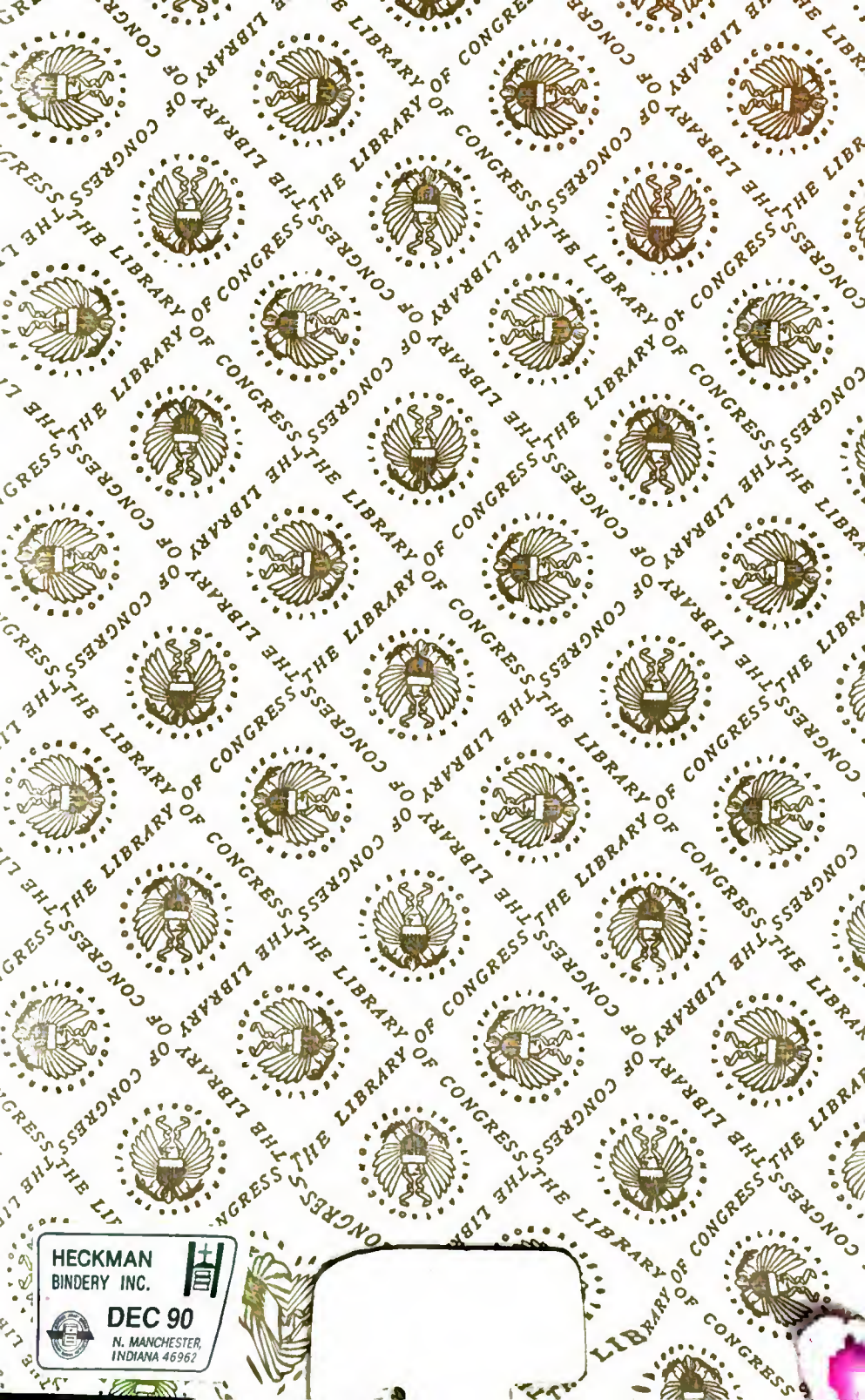
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CALVIN T. MILANS.



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